

amount of local pride in the Nutmeg State this morning. The women's basketball team completed their tremendous season, 35 and 0. It is the best record ever compiled by a men's or women's basketball team, culminating in the NCAA title against Tennessee. The other team that went undefeated, 34 and 0, was the University of Texas in 1986.

What makes this team unique is the intellectual as well as the athletic ability of its players. The star player—I am hesitant to use the word—Rebecca Lobo, was chosen first team All American and first team Academic All American the last 2 years. She is a candidate for a Rhodes scholarship and winner of every Player of the Year Award this season. She has compiled a 4.0 grade point average during her last 2 years at the University of Connecticut and is the No. 1 women's basketball player in the United States.

She is joined on that remarkable team that won the championship game yesterday by Jennifer Rizzotti, Kara Wolters, Jamelle Elliott, Pam Webber, Nakisha Sales and many other talented players. Rebecca Lobo, Jennifer Rizzotti, Kara Wolters, and Jamelle Elliott were named to the all-tournament team. It is the first time that four players from one team were named to that honor.

Mr. President, today is a day of great pride in the State of Connecticut because of the accomplishment of this great team.

I wish to pay a special tribute to Geno Auriemma, the head coach of the team, who did a remarkable job this season, and to the fans. You could not get a seat in Gampel Pavilion this year; they sold out every single game.

Mr. President, I am going to include in the RECORD as well, a couple of sidebar stories that go to the heart of a few other issues. The stories are about young women in the State of Connecticut, 9-, 10-, 12-year-olds, who were watching this team during the last year and who have become tremendous fans. It goes to the issue of title IX and the success of a program, a women's program, a basketball program. Just a few years ago you probably would have found only a handful of people watching a women's basketball game, not only at the University of Connecticut but all around the country. And today, as I mentioned a moment ago, there are sell-out audiences, sell-out crowds. This is a great tribute to title IX and those who fought so very hard for that program.

We are very proud in Connecticut today. We have always had to export our team allegiances to either the Boston Red Sox, the New York Knicks, the Mets, or others. Lately, we have had a hockey team which has not done terribly well, but now there is deep pride over this remarkable team that did a fantastic job in their quest for a national championship.

I join my colleague, Senator LIEBERMAN, who I know spoke already,

in congratulating all the people involved in this great season.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I would like to offer my congratulations as well to the women's team at the University of Connecticut, and I would like to call attention to a quote by its star player, Rebecca Lobo, in this morning's Washington Post. When she was asked what the victory meant to her, she said:

This is just a picture-perfect way for someone to end their career. We are undefeated, we won a national championship and I did it with people I love.

Mr. President, that openness is remarkable and should be applauded, and it correctly captures the feeling among members of a 35 and 0 team that wins a championship, and that is true both of a men's team that would win a championship and a women's team that wins a championship. My hope is that someday when a men's team wins a championship, the star player can say those exact words and feel as comfortable saying them as Rebecca Lobo did yesterday.

I congratulate Connecticut for this tremendous accomplishment and Rebecca Lobo for her courage and leadership in difficult times in her own family situation, because of her mother having breast cancer, and also because of her determination that was shown every day that she went out onto the court with her teammates.

Mr. DODD. Mr. President, I thank my colleague from New Jersey for those comments. She is a remarkable young woman on a remarkable team, and the joy of watching them win was only exceeded by their joy in winning. There are no NBA careers in front of them. There are no six-figure, seven-figure salaries awaiting these young women—just the joy of playing the game, the joy of victory and the joy of doing it together. It needs to be heralded. It needs to be highlighted. We need to get back to that very spirit of amateur sports.

I congratulate as well the team from Tennessee. Tennessee has won several national championships in the women's basketball division. They lost to Connecticut yesterday, but they are a great team and a great champion as well. I just know we are going to see more and more of them. I think it is a wonderful thing in America to be able to watch young women get the kind of attention they did.

By the way, the President called the coach yesterday. It is the first time a President has ever called an NCAA women's champion after the title game. I congratulate and thank President Clinton for making that call to the Connecticut women's basketball team.

They went down to the White House last year and could not get in. There was a long line. They were here in the office and met with Senator LIEBERMAN

and me, but they had to go back to their schedule and practice, so they could not get in to the White House. Yesterday, the coach asked the President if this time they might be able to come through the front door of the White House. The President extended an invitation to them to visit, and it is going to be a pleasure to go there with them and have them walk in the front door of the White House as the national champions.

Mr. President, I yield the floor.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. I thank the Chair.

Mr. President, I wish to say to the Senator from Connecticut that I share his pride in those young women. And certainly, as a woman who does not quite make 5 feet tall, I am particularly awed by these women and their skill. We still have UCLA, as you know, Mr. President, going toward a championship, we hope. But I really have to say to the Senator, it made me feel so good to watch these young women.

I do hope someday they have more of a future. If they can sink the ball in the basket with the best of them, they ought to have a chance. That is a subject for another day and another time.

#### SELF-EMPLOYED HEALTH INSURANCE ACT—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

Mrs. BOXER. Mr. President, I wish to now take the floor to thank the Senator from Massachusetts for what he has done by bringing forward such an important issue really, not only to the Senate but to the people of the United States of America.

We are going to see on Friday, I say to my friend, a big celebration on the steps of the Capitol. Those Republicans who signed the Contract With America are going to be celebrating and saying how great it is that they passed a number of those provisions.

Well, I think what the Senator from Massachusetts is pointing out is that there are more people than just those Republicans who are going to be celebrating; some of those people are going to be the millionaires and the billionaires who got away with it again, who again got away with what I call tax murder. I actually call them tax traitors, because what they do is they make a lot of money in this country, millions and hundreds of millions, sometimes billions, and then they renounce their citizenship to escape any kind of State taxes. I think that is unpatriotic. I think it is in many ways acting like a traitor to this Nation.

This Senate, on a very clear vote, said let us end that kind of tax loophole. The Senator from Massachusetts was completely struck, as was I and others in this Chamber, when the tax

bill came back from the other Chamber, from the Republicans in the House who are so proud of their contract. And guess what? That tax loophole was not closed.

So on Friday, when the Republicans are celebrating their contract, there will be a celebration in a lot of places across this great land, where people will be saying, "Oh, thank goodness, I still have that kind of a loophole."

All the Senator from Massachusetts was asking us to do on Friday was to go on record, because it is too late to change that conference report. We do not want to hold it up. It does some other very important things, and we care about the small businesses and the farmers who are concerned about their tax deductibility for their health care, which is in that bill.

All the Senator from Massachusetts was asking was for a simple sense-of-the-Senate resolution so the Senate could go on record and say we are not turning our back on fixing this problem. We stand for average people in this Senate Chamber. And we are going to fix this problem and we are going to stop this tax loophole for the millionaires and billionaires who would renounce their citizenship in America to get away with having to pay their fair share of the taxes.

And guess what happened? The Republican leadership said, "No way. We are not going to have that vote."

Well, I hope some agreement can be reached—and I tell my friend that I stand with him—so that at some point in the near future we will have that vote so that people in this country will understand that the U.S. Senate is not changing its mind on fixing this loophole.

I also want to thank the Senator from Massachusetts and the Democratic leader, TOM DASCHLE, for bringing forward an amendment that I think is a very important amendment to the supplemental appropriations bill that is before this Senate.

The chart that the Senator from Massachusetts, Senator KENNEDY, has put together shows what would be restored by our Democratic leader's amendment.

If ever you wanted to know the difference between Democrats and Republicans, here is your chance. Mean-spirited, unnecessary cuts put forward in an appropriations bill, a rescissions bill; unnecessary.

For AmeriCorps, the Daschle amendment will restore \$210 million. I ask my friend from Massachusetts, is that correct?

Mr. KENNEDY. The Senator is correct.

(Mr. JEFFORDS assumed the chair.)

Mrs. BOXER. I wish to engage my friend in a colloquy.

I had a wonderful experience visiting an AmeriCorps Program in Los Angeles. I want to tell my friend that the Americorps volunteer—and by the way, our Republican friends say: They are not volunteers. They get a stipend.

They get money for their education. They are not volunteers.

Well, I say to my friend, could these people do this work without a stipend? Could they live? Could they give of themselves and back to community if they did not have the stipend? Did not the people in the Peace Corps, I say to my friend, have a way to live while they gave their service?

Mr. KENNEDY. If I could answer my friend, the Senator from California. She is putting her finger on a very important point, which is that voluntarism should not be just a luxury for the wealthiest individuals. There are many young people with limited resources that want to have an opportunity to give something back to their communities. We see that time after time.

What we are basically saying to those young Americans is: if you are prepared to give something back to your community, you will also have a stipend, which is effectively a minimum wage, to be able to live. You will also be able to get the equivalent of a year's down payment on your tuition at a State university to continue your education.

I like to think that part of our Nation's value system is to try and encourage young people to be involved in a selfless way, to give something back to their community and, second, to encourage people to move ahead in terms of their education.

Finally, let me say to my friend, the Senator from California, that we effectively had an agreement here in the United States Senate when we passed the national service program. We are going to have \$300 million in the first year, \$500 million in the second, and \$700 million in the third. We had very strong bipartisan support for that commitment. I think there was only a handful of Senators that voted against it. Now we have established a service program where young people have been recruited on the basis of an agreement and understanding that was reflected in the bipartisan effort.

The AmeriCorps Program, however, was targeted for a 75-percent reduction, more than any other single program. And I do not think that it is a coincidence that it happened to be a top priority of President Clinton's—one that he spoke about during the course of his campaign. He stated that it was one of his greatest initiatives and he spent a great deal of his own personal time and involvement to see that it became a reality. I can just say, from a personal point of view, each time he comes to Boston, he meets with these young Americorps volunteers and continues to inspire them, as he does others who are involved in voluntary programs.

These cuts are effectively taking the rug right out from underneath these volunteers. All we are saying to our colleagues is not to go back on your word to these young people. And that is what this amendment is all about.

Maybe next year, we are going to have to fight to try and get what resources are available for that program.

But are we now saying to the young people in the AmeriCorps Program who are committed to making a contribution to their communities that the rug is pulled out from underneath them?

Mrs. BOXER. Mr. President, I thank my friend, because I have to say that I did notice broad support for this when it came up. The Senator from Massachusetts certainly worked on it, as chairman of the committee at that time. Very few spoke out against it.

It is hard for me to believe, as the Senator has pointed out, that this is not some kind of political attack. Because President Clinton said during his campaign, just as the Peace Corps, which sent our young people abroad, was so effective in helping people abroad, let us have that in America where we have problems in our schools, where we have problems in our nursing homes, where these young people can give something back and have a sense of community and of giving back.

And so the Daschle amendment, as my friend points out, will restore this funding.

I will tell you one story about my visit to a school in Los Angeles, where I meet with an AmeriCorps volunteer and some of the students in a pretty tough school. This school is made up of kids who were basically first-generation Americans. Their parents work in the garment district in Los Angeles in very, very tough conditions, minimum wage conditions.

And, of course, that is another issue, I say to Senator KENNEDY, that he has lead the fight on. We have opposition from the Republicans, unanimously. God forbid we should raise the minimum wage, which is at a 40-year low in terms of purchasing power.

And they say, "Oh, it helps get teenagers into the job market." Most of the people on minimum wage, as the Senator knows, are adults. They use that money to live on and try to provide for their families. That is another issue. But it all fits into the same pattern, I say to my friend.

Very quickly, they did away with closing a tax loophole that helps the billionaires; just dropped it right out of the conference. But with a lot of forethought and talk about the deficit, and a lot of time to concentrate, they cut money for young people, for their hopes, for their dreams, for their future.

And they say they care about the deficit. Not one of them voted for the \$500 billion deficit reduction that every Democrat took a risk and went down to that well and voted for. And we have had the biggest deficit reduction in our history. We have had 3 years of declining deficits, and the smallest work force since John Kennedy with a Democratic Congress.

We did not take a meat ax to these programs, I say to my friend. We took a scalpel.

We closed loopholes. We said to the wealthiest in this country—those over \$200,000—you may have to pay a little more. Over on the House side with their contract, they want to give a contract to those who earn \$200,000 a year.

When I went to the school, I say to my friend, I met a little child who was shot in a drive-by shooting, and an AmeriCorps volunteer went to see him in the hospital every single day and turned that child's life around. This is a living, breathing human being, first-generation American who now believes in this country.

I say to my friend, they say that sometimes children ask the best questions. Do you know what some of those kids talked to me about, the ones who were afraid of losing their school lunch program? Here is what they said:

"Who gets the money if you cut us out of the program?"

I could not believe they asked that question.

"Who gets the money, Senator, if I do not get my lunch?"

And I have to tell them, "The Republicans want to give a tax break to the wealthiest people in this land, and I won't let them do that and take food out of your mouth."

I do not care if I am saying something popular or unpopular, but I am going to stand on this floor with my friend until hell freezes over before that happens in this U.S. Senate.

I see that my friend has put another chart up here. I ask him to explain it, if he would do that.

Mr. KENNEDY. I will be glad to. I had not anticipated we would be debating this issue at this time, but I think perhaps it is appropriate.

This is a chart showing that the top 12 percent of taxpayers get more than half of the tax benefits in the Republican plan. More than 50 percent of the tax benefits would go to those individuals who earn over \$100,000.

I think this makes the point that the Senator has been talking about. What we are faced with in these rescissions is the cutbacks in the various programs which have been identified by the Senator from California—in AmeriCorps and drug-free schools. We had a very important and eloquent debate on the problems of violence in our schools and how we are going to deal with it.

Other programs targeted for cutbacks include:

The chapter 1 program, which was completely revamped in the last Congress, again, with strong bipartisan support. If the Senate rescissions stand, 70,000 children across the country will not be participating in these programs which try to assist young people that come from economically disadvantaged communities.

Goals 2000—this cut will result in 1,300 school districts not participating in education reform programs.

The Head Start programs, which have been tried, tested, and reevaluated.

The WIC nutrition program, school-to-work, child care, and the list goes on and on.

These cuts, as the Senator has talked about, are going to be used for the House Republican tax cut, which will go to the top 51 percent of the taxpayers.

That is fundamentally wrong, as the Senator from California understands. I do not believe that that is what the Americans are really for.

You would hardly understand that this is what is being cut here. You will hear general comments about how we have to cut back on programs and discretionary spending in order to deal with the deficit. The fact is, the programs which are being cut back are to be used for the tax cut to the wealthiest individuals. I just do not think that is right. This is the argument that the Senator from California is making, and I welcome the chance to join with her.

Mrs. BOXER. I say to the Senator in closing my comments that I did not come here to take from the kids and give to the rich. And I did not come here to throw the women and children over first. And that is exactly what the Republicans are doing in this Congress.

Cut the WIC Program, the Women, Infants, and Children Program that gives nourishment to pregnant women who may not be able to afford it? Every dollar we put in that program saves from \$3 to \$10. Why? Because we give them nourishment—cheese, milk, and things they need.

I have a pregnant daughter right now—the light of my life. I am going to have my first grandchild. Every day I call her: "Did you take your vitamin pill? Are you eating right?"

I say to my friends, we ought to care about the pregnant women in this country who may not have a mom or a dad to call them up in the morning, who may not even have the education to know that it is important. And, listen, it pays off. It pays off because we have healthier children and less costs, less costs to put these babies in incubators, not to mention the humanity involved here.

Where is our decency here? I do not know. But what I know is that I am proud to be associated with the Senator from Massachusetts. I think what he is pointing out is a tie-in between these tax breaks for the wealthiest people among us and the taking from the children. I think it is reprehensible, and I will join that fight. The fight has just begun, I say to my friends.

I yield the floor.

Mr. KENNEDY. Mr. President, parliamentary inquiry. Cloture has been invoked; am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. So now each Member is entitled to speak up to an hour; am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. Mr. President, I do not intend to use all the time, and I have every expectation we will have a final vote on this sometime in the early or midafternoon, a time to be set

by the majority and minority leaders. I thought that process would be worked out. I did want to be able to address the Senate for just a few moments at this time on the issue of the tax loophole.

The current tax laws contained an unjustified tax loophole that exists for billionaires who renounce their American citizenship in order to avoid taxes on the wealth that they have accumulated as Americans. I commend the Finance Committee for closing the loophole in its action on the 25-percent health care deduction for small business. The Finance committee took the action despite the fact that the revenue gained was not needed to pay for the health care deductions for small business owners in the bill.

In fact, the committee requested that the revenues be used for deficit reduction, exactly the type of action necessary if we are serious about achieving a balanced budget.

Closing this loophole would raise \$1.4 billion over the next 5 years, \$3.6 billion over the next 10 years, according to the Senate Finance Committee report.

In too many cases, we close tax loopholes only when we need to raise revenues for specific spending measures, whether they involve direct expenditures or tax expenditures. In this case, the committee closed this flagrant loophole as soon as it was brought to the committees's attention, and rightly so. All of us thought the issue was settled. Now it comes back to us from the Senate-House conference and the loophole has been reopened. And the outrageous tax break for two dozen or so of the most wealthy individuals in the country will remain wide open. This is all happening, of course, at the same time that we are cutting Federal funds for basic investment and for the future of children and working families. Funds for education, housing, and vital social services are all being drastically cut at the very time our Republican colleagues are deciding that this tax break is not flagrant enough to be terminated immediately.

All citizens of the United States have a basic right to leave the country and live elsewhere and to relinquish their citizenship. That is not what this provision is about. Every citizen has the right to repatriate. We would not want the Tax Code to be used to outlaw that action.

At the same time, though, we do not want the Tax Code to be an enticement to citizens to renounce their citizenship. The law would not prevent individuals from shifting their assets and citizenship to a foreign country; rather it would make sure that those who have amassed great wealth through the U.S. economic system pay their fair share of taxes.

Last year, approximately 850 individuals renounced their citizenship, but

only a handful of those would have been affected by this legislation. The tax loophole we are trying to close is not one that applies to all those who renounce their citizenship. As a result, it is wrong to call this an exit tax. It only applies to those with a minimum of \$600,000 in unrealized capital gains, which would necessitate a minimum of \$5 million of net worth. All those below that level of liability could renounce their citizenship without the IRS ever questioning their motives. But the fact of the matter is that many of these wealthy individuals are leaving the country for only one reason—to avoid taxes that they rightfully owe the Government.

In some cases, the individuals involved have the best of both worlds. They renounce their citizenship, avoid millions of dollars of tax liability, but still spend up to 6 months a year in the United States. In many cases, their families stay in the United States, taking full advantage of the U.S. standard of living and quality of life.

In other cases, wealthy individuals are gaining from the system to an even greater degree. They are renouncing their citizenship to avoid European taxes, also. Then they take up European citizenship but live part time in a Caribbean tax haven so they cannot be taxed by their new European home country.

Some have suggested that this provision would unlawfully restrict the fundamental right of voluntary expatriation and emigration. This is not the case. The State Department has stated that this provision does not conflict with the international human rights law concerning an individual's right to freely emigrate from his or her country of citizenship. It also recognizes that a state, in order to protect its interest, may impose economic controls on a departure as long as such controls do not result in a de facto denial of an individual's right to emigrate.

Requiring individuals to pay taxes on gains that accrue prior to expatriation does not constitute a de facto denial of an individual's right to leave a country.

These are comparable taxes to those which U.S. citizens or permanent residents would have to pay were they in the United States at the time they disposed of the assets or their debt. Under the current law, if the IRS suspects that an individual has renounced his or her citizenship in order to avoid taxes, it will attempt to tax the holdings for an additional 10 years. The IRS must establish that it is reasonable to believe that the individual gave up citizenship to avoid taxes. The burden of proof that the move was not for tax reasons falls on the former citizen.

Current law needs to be tightened because individuals are easily evading it. The law provides for that with the taxing of their income for an additional 10 years after expatriation. But they avoid the tax completely by postponing the realization of gains for the first decade after leaving the United States.

So the concept has been at least included in the tax law. As I understand from the experience, that law provides that 10 years after expatriation, that income has basically been hidden or shielded. And the Finance Committee addressed that issue and was to be able to recover what was necessary.

The Finance Committee report itself states:

The committee is concerned that present law—

So this is not a new law; it is a new way of dealing with the loopholes that exist.

The committee is concerned that under present law, which bases the application of the alternative method of taxation under section 877, proof of a tax avoidance purpose has proven difficult to administer. In addition, the committee is concerned that the alternative method can be avoided by postponing the realization of U.S. source income for 10 years. The committee believes that section 877 is largely ineffective to tax U.S. citizens who expatriate for the principal purpose to avoid the tax.

The proposed provision is similar to those in other countries, including Canada and Australia. The concept is also similar to laws in many States, where individuals who move to other States are taxed on compensation earned before the move though it may not be received until after the move.

The law would be limited in its scope. It would not apply to real estate or pensions, regardless of their value. We already tax gains on real estate of foreign citizens as a result of the sale of property. Under the Finance Committee reform, the State Department would notify the IRS when anybody relinquishes their U.S. citizenship. The State Department would provide appropriate information to assist the IRS in enforcing the provision.

As the report of the Senate Finance Committee stated on this provision, it is fair and equitable to tax expatriates on the appreciation of their assets when they relinquish their U.S. citizenship.

I regret that Congress is unable to act now to close this billionaires' tax loophole in the current tax bill. We know that our Republican colleagues are quick to call for deep cuts in programs that help working families, children, college students, senior citizens, and other deserving Americans. So it is ironic that our Republican colleagues show so much solicitude for the least-deserving Americans—those who want to renounce their citizenship in order to evade their fair share of taxes on the massive fortunes they have accumulated from the blessings of America. This tax loophole should be closed as soon as possible.

So, Mr. President, it was my purpose—and I am joined by a number of my colleagues. Although we were not technically able to do so in terms of the parliamentary situation in which we find ourselves, at least we should be accorded an opportunity to vote on a resolution that would do just that—that is, remedy this situation.

I would expect that it would have overwhelming support. I would expect

that it would have unanimous support. I see on the floor my friend and colleague, the chairman of the Finance Committee. As I noted earlier today, he had given assurance, as did the Senator from New York, that this issue would be resolved in the conference, along with other members of the Finance Committee. Senator BRADLEY authored the provision in the Finance Committee, and he indicated that as well.

It seems to me, Mr. President, that Members ought to be able to express the sense of outrage that is felt by their constituents and be able to speak to this issue in support of a resolution that would urge that at the earliest possible time, there be action on this particular loophole. We do not doubt for a moment the sincere, dedicated, committed desire of the Members I mentioned and other members on the committee to do so.

To many of us who have been around long enough to know that when we are in those conferences and the House has a different view about this, that getting a unanimous, recorded vote by the membership, Republican and Democrat alike, with the strong assurances of the members of the Finance Committee, majority as well as minority, and all Members of the Senate on this, that this would be an issue that would be resolved and resolved in a timely fashion, and that this real injustice to all of the other American taxpayers—because when we have this kind of loophole, make no mistake about it, it is the hard-working men and women that are paying the taxes, playing by the rules, that make up the difference.

Every time you have this kind of a windfall and you create that deficit, what are we asked to do? We are asked to address the problems of the deficit. Here are where the cuts come. That is what we are being asked to do here—to cut the child care programs, the WIC Program, cut the Head Start Program. Why? For deficit reduction. And one of the good reasons we have it is because we have a loophole like the one I have just mentioned. It seems that the least we can do is to have a sense-of-the-Senate resolution that reflects the combined body here of the Senate on the earliest possible time. I wish we could have worked out a process prior to the vote.

I understand that we will move to a vote. Of course we will have an opportunity to offer it on the underlying measure, in terms of the rescissions later on.

It would seem to me that it would be wise for the leadership to give a very clear indication about their support and make it easy to resolve this. Announce to the world that tomorrow at 10 o'clock, this afternoon at 5, we will vote on this. We will close this down.

But we cannot do that. We hear, "We are for it," but we will not be given an opportunity to vote on it. We are not going to say when we can get a vote on it. We have to conclude that if this is the case, why do we not just say at a time certain that we will get a resolution on this matter such that the majority leader and the minority leader and the members of the Finance Committee will all say, "This is an expression of the unanimous vote of the Senate." That is what we are desiring to do.

We are saying to the House of Representatives that the Senate of the United States—Democrats and Republicans—are all aligned together. We believe that action has to be taken, that this loophole has to be closed. We are prepared to go on record. We are prepared to set the time to do so.

I want just to finally indicate that I am very hopeful that we can do it. I will be eager to try and work with the leadership to try and establish that time. I will also be forced to remind our body, if we are not able to do it, as to what, really, is at issue.

It is the issue of fundamental fairness. An issue of which side are we on. Are we on the side of working families who are in the lifeline programs that reach the children of this country? In the child care programs, where we have long lines of parents trying to get quality child care? Or the school-to-work program for the 70 percent of the individuals who do not go on to 4-year college and want to be able to find employment? This program, which has strong bipartisan support, reflects a combination of business and educators and parents trying to get people into work.

Other programs include the WIC nutrition program, which was spoken to so eloquently by our friend and colleague, the Senator from California. The Head Start Program, which was reviewed by a bipartisan commission, virtually had a unanimous vote when it passed out of the Labor and Human Resources Committee, and had strong support in the House.

Goals 2000 education reform, which incorporates many of the ideas and suggestions of the previous Secretaries of Education.

The Chapter I Program that focuses on the educationally disadvantaged.

The Safe and Drug Free Schools Program—we obviously know that as much as we do to reform our education system, if we do not have a safe school, none of this will matter.

Finally, regarding the AmeriCorps Program, we must not pull the rug out from underneath the young men and women who are beginning to reap its benefits and serve their communities.

This is really something that I think all Americans can understand.

I see other colleagues that want to speak here this afternoon. I would hope that we will all understand the impact of these cuts when we vote on this measure. I can give the assurance to

the membership we will get a vote on it, hopefully sooner than later.

The PRESIDING OFFICER. The majority manager is recognized.

Mr. PACKWOOD. I thank the Chair.

It was almost 25 years ago that I traveled around the country with my good friend, the senior Senator from Massachusetts. I was then on the Labor and Public Welfare Committee. He was, I believe, chairman of the Health Subcommittee. We were doing health hearings around the country going to hospitals, holding hearings.

There is no question that his compassion for the poor is unrivaled in this body. Sometimes, however, that compassion is confused by the volume of his oratory and the velocity of his statistics.

Volume and velocity are not necessarily accuracy. He uses the word "cut, cut, cut." Only in this Government—not in any State government that I know—only in this Government do we use the word "cut" as follows: cut means we are going to spend less than we thought we were going to spend in the future, even though it is more than we are spending now. That is a cut.

This would be a cut, to an average layperson. I am making \$1,000 a month. I think I am worth \$1,200 a month. I go to the boss and say, I am worth \$1,200. And the boss says I don't have \$1,200. I will give you \$1,100. You do not tell your wife you got cut \$200; you got \$100 raise. It is not as much as you hoped but more than you are getting.

I defy you to ask any average normal citizen in this country to define "cut" the way we define it.

Having said that, we will take a look at the quantity of money we now spend. The Federal Government—and we hate to be cavalier about this but I will round it off—the Federal Government this year will spend about \$1.5 trillion—"t," trillion, \$1.5 trillion.

If we were to spend \$1.5 trillion a year for the next 7 years—and the reason I pick that is the year 2002 we are hoping to get to a balanced budget—we would spend about \$11 trillion. We are planning to spend under current law, if we do not change the current law at all, we do not add anything like long-term care to Medicare, we do not add anything more to AmeriCorps or Head Start, over the next 7 years instead of spending \$11 trillion, as we would spend if we spent the same amount every year, we would spend \$15 trillion. That is if we do not change the laws. And we would still have the perpetual deficits.

In order to balance the budget by the year 2002, instead of \$15 trillion spent over the next 7 years, we need to spend about \$14 trillion. I want to emphasize, again, we are spending roughly \$1.5 trillion now.

If we continue to spend it over 7 years, we would spend about \$11 trillion. To balance the budget, we can do it and spend \$14 trillion. That is not a cut from what we are now spending—Social Security is not going to go

down, Medicare is not going to go down, Medicaid will not go down, education will not go down, food for the poor will not go down. They are all going to go up, not down.

The reason that people use the word "cut" is because they have a vested interest in the program. Often, they are bureaucrats who administer it and aggrandizement and bigger is good for bureaucracy. The more you can bigger, the better.

So we have come with this concept only, really, in the last 20 years, of what a cut is: Spending less than we were otherwise going to spend but more than we are spending now.

Unfortunately, the press has picked it up. They say Republicans plan to cut—whatever it is. So let me give an example. Let us take some of the programs that my good friend from Massachusetts has. Let us take Head Start and let us say we were going to spend \$500—\$100 a year on it over the next, let us say, 5 years: \$500; and let us say we were going to spend \$100 a year on school lunches for the next 5 years: another \$500; and \$100 on child care per year. So over 5 years, you have \$500 we would spend on Head Start, \$500 on school lunches, and \$500 on child care. That is \$1,500 we would spend over the next 5 years.

Let us say, however, that the current law—no change in the current law, we do not have to vote for anything—would say that on these programs we will spend \$200 a year. So over 5 years, instead of spending \$500, we would spend \$1,000 on each program. So on the three programs, instead of spending \$1,500, we spend \$3,000.

Now let us say the Republicans come forth and say, "We think, over the next 5 years on those three programs, instead of \$1,500 that we are now spending if you were to flatten it out, we think we should spend \$2,500; not \$3,000, \$2,500." The argument would be made we have cut the programs \$500.

We have not cut the programs. We have increased the spending \$1,000. It just is not as much as advocates of each of those programs would like. And we, everyone in this body, knows we are faced with this.

In comes a group whose principal purpose is education. It can often be conservative Republicans, let us say it is the National Association of School Boards. Except in very big towns, my experience has been that school board members are often Republicans, somewhat conservative, and they want to balance the budget. But they are on the school board, so in they come and say, "Yes, I am for the balanced budget amendment, I am for balancing the budget, but education is a special problem and you must increase spending for education. If we have to balance the budget, you should take it from someplace else." They leave.

In the next week comes the National Association of Hospital Boards of Directors. These are almost invariably Republicans, also. They are the town's

elite, the town's 400. They are generous in their charity. They give money to the hospital. In they come, and they understand the fastest growing program we have is health and they want to balance the budget. But they say, "You have to understand that health is in a special category. If the budget must be balanced, take it out of education." They leave.

In comes the National Association of the Chiefs of Police, and to them the most critical problem facing this country is crime and the budgets for their police department. These people are normally reasonably conservative, also. Probably if they had to vote on a balanced budget amendment, they would vote four or five to one for a balanced budget. But fighting crime is unique and different and, "If there is not enough money for everything, we should take it out of education and health so that we have it for crime."

None of these people are malevolent. Each of these people sees the world through their eyes. Each of them sees it through the programs that they administer or are committed to—and are committed to out of perfect decency. Yet, if you do not see the world as they see it, if you say, "Listen, somehow instead of spending \$3,000—we are now spending on the average only \$1,500—"we have to cut it to \$2,500," which is really a \$1,000 increase, but in order to pare down the increase by \$500, we have to take a little bit off of the increase in education and a little bit off the increase in health and a little bit off the increase in crime prevention—each one of them is mad at you because you did not see the world as they saw it.

I want to emphasize, again, when we finally get the welfare reform bill on the floor, when we finally get the entire budget bill on the floor—if we ever get it on the floor—and if we have a budget that gets us to a balance in 7 years, spending will be up for health, up for education. It may be down in defense. It will be up for child care. It will be up for almost every social program we know.

Aha, but the opponents are going to say, we cannot guarantee that because you are going to block grant it. By block granting, we simply mean we are going to give to the States some of these programs, with some money, and tell them to administer it.

Let me take the example I have used, these three: Head Start, school lunch, and child care. As I say, we are now spending \$100 each year, \$300 a year on the three of them; over 5 years, that is \$1,500. But if we did not make any change in the law over those 5 years, we would spend \$3,000. So let us say we say to the States we will make you a deal. We think you are closer to the people than we are. We think you know your problems better than we do. The problems of Oregon may not be the problems of New York. Certainly, the problems of Newport, OR, are not the problems of New York City. We are going to give to the States for these

three programs \$2,500 over 5 years, and say to the States, "You spend it as you want on these three programs: Head Start, school lunch, and child care."

But we do not say in each case how much they have to spend on each of those programs. They just have to spend the aggregate \$2,500 on those three programs. The States that are stable, with relatively lower divorce rates, with only one person in the household working, may not have the same child care problems that an urban area with illegitimate birth rates of 50 or 60 or 70 percent and no man around in the household, they may have a different problem about child care. It may not be as critical as it is when you are trying to get a woman off welfare, get her a job, and she has a child and the child is 1 or 2 years of age, and she is 19 and not quite out of high school—dropped out. She needs child care.

Maybe that State says, "We are going to have to spend more on child care than even what the Federal Government might have planned to have spent on that particular program. But we will spend a little bit less on Head Start or a little bit less—not less than we are spending, less than was planned to be spent."

So the argument will be made, if you give these programs to the States, there is no guarantee that they will have the compassion and the knowledge and the interest to take care of Head Start and school lunch and child care the way a compassionate Federal Government would. Not only that we understand the problems better, the argument goes, so we have to have programs that have a myriad of Federal regulations that go with them—not only do we understand them better, we are more compassionate. State legislators do not care about children, they do not care about nutrition, they do not care about Head Start. Governors are callous, backward people who have no concern that their children are well educated and well fed.

That is just baloney. We know it. For us to say at the Federal level that the Governors and the State legislatures do not care about these problems is outrageous. They care as much as we do, and they are closer to the problem than we are.

So let us get over this argument about cut, cut, cut. Are there going to be reductions in spending from what we would otherwise spend if we are going to balance the budget? Yes.

Will those be reductions from what we are now spending? No. Will they be somewhat less than the most wild-eyed, zealous partisan of these particular programs that they would like spent on their programs? Perhaps. We are going to have to ask everybody in this country to share in the reduction of the increase—not a cut—a reduction of the increase. This battle we are going to have at another time.

I mention this only because my good friend from Massachusetts has talked about this expatriate tax provision in

the bill that is currently before us which would allow the self-employed in this country to take a 25-percent deduction for health insurance which they purchase, and 30 percent starting in this year, and has said we have cut out the tax on the wealthy and we favor the wealthy at the expense of the poor at the very same time that we are cutting Head Start, and AmeriCorps. I say again we are not cutting. He likes to use the term. But we are not cutting. At the same time we are reducing the increase, we are cutting the tax on the malevolent rich who flee their country to avoid taxation.

First, in this country, if you leave it for purposes of avoiding taxation, we can tax you for 10 years. My good friend from Massachusetts has said, yes. But for 10 years. You can leave this country and you have what we call unrealized capital gains. Perhaps the price of a stock goes up. The value goes up but you have not sold it, and you do not sell it for 10 years. That is an unusual situation. It is very unusual for somebody to leave and not touch their assets for a decade. But if they leave this country now to avoid taxation, we can tax them for 10 years.

I will tell you what happened with this expatriate tax provision. I am frank to admit it was mostly my error in moving too rapidly. The House bill did not have this provision in it at all. We were doing what we call the markup on this bill, and Senator BRADLEY offered the provision to tax the expatriates. We had relatively little discussion about it. We adopted it without even a rollcall vote; no hearings; did not really grasp the significance of what we might be doing. We have done this before in this body.

I remember John Williams, who was a Senator from Delaware, Senator ROTH's predecessor, who served here 24 years, and he and I overlapped by 2 years. I was elected in 1968 he retired in 1970. But he used a wonderful expression once in which he said, "We make more mistakes in haste than we lose opportunities in delay."

I will give you one mistake we made. This tax provision that we put in the Senate bill only applies to American citizens. We have any number of people who come to this country from Cuba, Italy, Poland, Germany, and they are legal immigrants. They work here. They pay their taxes here. They are good citizens. They participate in life while they are here. But at the end of 30 or 40 years of work, and they have been very successful and have made a fair amount of money, they choose to go back home. The tug of the home country is there for people. So they go. They never became an American citizen. They are here legally. There is no complaint about that. They paid their taxes; no complaint about that. This bill does not apply to them. They never became an American citizen.

But take the same person from Poland, or Germany, or Cuba who comes here, becomes an American citizen, is



naturalized, decides to go back to the home country, they are taxed. We did not know that. It just did not occur to us.

I will give you another example. This is at variance of many naturalized citizens; some who fled Cuba or were forced out of Cuba when Castro seized control; in many respects confiscated much of their property. You had engineers and doctors coming here in 1960, 1961, 1962 and went to work in the most menial of occupations here because they had been driven out of their home land and had not yet passed licensure exams here, and had no money here. And over 30 years they have become very successful. They are the leading citizens in the movement to free Cuba of its dictatorial control. They will one day be successful. Some of them have become citizens, some not. My hunch will be when Cuba is free many of them will want to return home. That does not mean they are bad Americans, although in some cases they have not taken out citizenship. But it means they want to go back to their country when it is freed.

Are we going to tax them? Are they leaving for tax reasons? Are they leaving for patriotic reasons? Our bill taxes them no matter what. How many occasions have we had where citizens all over this world have had to flee their country and go into exile for 5, 10, 15 years because of a repressive government at home and they could not return until that government became free? And then they go home. How are they to be taxed? We did not consider it.

I will give you another example. A wealthy father sets up a trust for his grandson. The grandson marries a foreigner, perhaps met the foreigner when the grandson was a student overseas or in the military overseas and takes out citizenship in that country. The grandfather is still alive. The trust is revocable. Is the grandson, when he leaves this country, taxed on what we would call the corpus, the amount of that trust, even though he has not gotten it and may not get it? We do not know. We did not consider that problem. Nobody raised that problem.

I will give you another example. A person works here all their life. They are very successful. The employer for whom they work has been putting aside money in their pension plan. Finally, the accumulated pension plan with the interest and everything on it is significant and the person is to get  $x$  amount of dollars a month from the time they retire. He retires at 60, and goes back home. It is an American citizen. I think the way this is drawn that corpus, that amount in the pension plan, is taxed immediately. I think. I am not sure. Then I think the payments are taxed also when you get your pension. Did we intend that or did we not intend that? I am not sure what we intended.

I say this only to attempt to ameliorate the argument that this was done

at the behest of or because of the rich in this country; this was adopted in haste and we did not grasp its full consequences.

In addition, it was not in the House bill and the House with a vote on the floor before we went to conference with them instructed their conferees not to accept this provision. So the chairman of the Ways and Means Committee and I have jointly put out a release saying we want the Joint Tax Committee, which is the professional group that so well advises the House and the Senate, to study this problem, give us a report by June 1. We will have hearings on it. There will be legislation enacted. And the effective date of it will be February 6 of this year so people cannot now get under the deadline in an attempt to flee the country at the moment before the law is in effect.

So the problem will be taken care of. But it will be taken care of in a responsible way. I say again, in this case, in my judgment we did not act irresponsibly. We did not act malevolently. We just did not grasp the consequences of what we were doing.

So I hope that the debate and the discussion would not be one of rancor and class warfare, that we are excusing the rich, and in order to do that we must eliminate programs for the poor. That is not the debate over this issue. It is a debate over equal protection of the laws, and under the equal protection of the laws everyone in this country is to be treated equally—the poor, and the rich, and you do not suffer a particular penalty solely because you are rich. A penalty that may—I emphasize “may” because we do not know—be unwise, may be unfair, may in some cases violate international treaties that we have agreed to. We are not sure.

I hope we can adopt very soon the conference report that we are discussing so that roughly 3.2 million self-employed working Americans in this country will know whether or not they can take a 25-percent deduction for health insurance premiums that they buy for themselves. They are not employed. Their employer is not paying for this. They pay for it. The longer we delay, the tougher it is going to be for them to know whether or not they can make this tax deduction, which is now going to have to be filed in just 12 more days.

So I thank the Chair. I hope we can conclude this debate not in a tax on the poor or a tax on the rich or an argument that the provision is a tradeoff so we have to cut programs for the poor. It is not that. And when this whole debate on spending and welfare and block grants is over, I hope it will be very clear to America that no one is cutting programs for the poor. The question is are we willing to somewhat restrain the increases so that we might achieve a balanced budget, so that those very children we are talking about now do not face the possibility of bankruptcy of this Nation or the bankruptcy of the Social Security System

or the bankruptcy of Medicare—and that is only 6 or 7 years away—so that they do not have to face that and pay for it because we refused to have the courage or the wisdom or the foresight to attempt to modestly reduce the increase in spending sufficiently to give them a balanced budget.

I thank the Chair.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The distinguished Senator from Illinois is recognized.

Mr. SIMON. Mr. President, I am pleased to speak on the Daschle amendment. Let me just comment briefly on the observations of my friend from the State of Oregon.

It is true that the volume of Senator KENNEDY's remarks does not necessarily mean that there is virtue to his remarks, but in this case I believe there is virtue in his remarks. And because my colleague from Oregon speaks in a calm, less passionate voice does not mean necessarily that there is virtue to everything he had to say, some of which I agree with, some of which I do not. That we should provide tax breaks for the self-employed in their health insurance we agree completely.

When my colleague from Oregon says that this particular tax break is designed so that we have equal protection for everyone, the poor and the rich alike, it is true that if you are either poor or you are a millionaire and you move to the Caribbean and you renounce your American citizenship, you can get this tax break. But there are not going to be very many poor people who are going to take advantage of that. This is designed for those who are more fortunate economically.

When my friend argues that all we have to do in the future to achieve a balanced budget is to restrain spending, he is correct. If you assume and we were to pass, we were to pick up one more vote for a balanced budget amendment, if we had no cuts in interest rates—and every projection, CBO, Data Resources, all of them say we will have reduction in interest rates—if we were to have no changes in Social Security, we could increase spending 1.7 percent a year between now and the year 2002 and achieve a balanced budget. So that argument by Senator PACKWOOD is absolutely correct.

I serve on the Budget Committee. I want us to use not what we call euphemistically the current services budget but where we are now. That is how a family does it, as Senator PACKWOOD says correctly.

But the Senator from Oregon is incorrect when he said these are not cuts. What he said, if he were making a speech on the 1996 budget, would be accurate. In the rescission, what we are saying to groups is we are giving you the money. Indian housing, we have told them we have appropriated  $X$  number of dollars—I do not know the amount—for desperately needed housing on Indian reservations, and now we are coming along saying we are taking

back \$100 million of the money that you received. And you look through this.

To AmeriCorps, Senator DASCHLE will restore \$210 million, overwhelmingly supported by the American public; 90 percent support the idea. The Los Angeles Times showed 60 percent of the people who call themselves conservative support the idea.

Republican Governors. Montana's Governor says:

While balancing the budget, fighting mandates, and streamlining government, I am committed to this community service program for Montana.

Michigan's Governor:

AmeriCorps captures the promise found in all its citizens, young and old, who see problems in their communities and work together to solve them.

Massachusetts' Governor:

Governors of both parties have shared my enthusiasm for national service.

Title 1 helps poorer people, the disadvantaged. The reality is we do not do a very good job in the field of education in disadvantaged communities. I am not saying all education in disadvantaged communities is terrible, but it needs a lift.

It is very interesting that Sweden, which does not have the income disparities we have in the United States, spends two to three times as much for education in the disadvantaged areas as in the more affluent areas. We do the opposite.

I was on a call-in program this morning with station WILL in Champaign, IL, and a faculty member of the University of Illinois got on the phone and he interpreted my remarks as being negative about American education. But he made this significant observation. He said some of the finest students we have come from the Chicago suburbs.

The Chicago suburbs. Not the city of Chicago, where the need is so great, where, frankly, we are not spending the money. If there is any question about the value of title I since it was enacted, the gap between black and white students has narrowed significantly. For 9-year-olds, the gap in achievement test scores has closed by 18 percent in math and 25 percent in reading.

This program works. And this is a program we are going to cut back on if we do not adopt the Daschle amendment. The dropout rate for 16- to 24-year-olds has declined significantly for all students, from 17 percent in 1967 to 11 percent in 1993. The decline in the dropout rate has been even more dramatic for African-American students, going from 28.6 percent in 1967 to 13.6 percent in 1993: even with the present appropriation that this rescission would cut back without the Daschle amendment, 13 percent of high-poverty schools will receive no funds at all. In the city of Chicago, the Chicago school district, you have to achieve 56 percent of poverty in your school before you receive any help. Clearly, a needed program.

Goals 2000. We hear a lot of talk around here how we are going to help the States. Goals 2000 says to the States you set your standards, you establish the program, and we will provide some assistance. We cut back on that.

Safe and drug-free schools. Cut back \$100 million out of \$472 million appropriated. We are going to solve the problem of crime not just by building more prisons but by drug treatment programs, drug prevention programs, education programs—very much needed.

Head Start. Every study shows Head Start pays off in this country. And just about every Head Start program has a waiting list of young people to get into the Head Start program.

I visited the Head Start program in Rock Island, IL, where, like every Head Start program, they have a waiting list. In Rock Island, IL, on Monday morning, one group of children come in; Tuesday morning, a second group comes in; Wednesday morning, a third group, and so forth.

I asked the woman in charge: What would it mean if you could have the same children in here not just 1 day a week but all week? She smiled and said, "You can't believe the difference it would make in their lives."

We save money by not funding Head Start so that all young people who need the help can get into it, but it is extremely shortsighted.

The WIC Program; every study shows it pays off tremendously. That is the health program for women, infants, and children.

School-to-work. I heard Gov. Tommy Thompson from Wisconsin—and, as the Presiding Officer knows, he is a good Republican Governor—I heard him praise what we did in school-to-work. We are spending a huge amount of our education dollar for those young people who go on and get a bachelors degree, but 75 percent of our students do not do that. School-to-work is designed for everyone, but particularly for those who are not going to go on to get that bachelor's degree. There was \$30 million cut out of that.

Year-round youth training, under the JTPA Program, cut \$100 million. With the kind of youth unemployment that we have, I do not think it makes sense.

Immigrant education. I hear a lot of speeches that we ought to make English the official language around here. I do not know what it would mean, incidentally. Would that mean you cannot get a translation if you are in court if you speak Chinese or Spanish or some other language?

But it is interesting that when we come up for immigrant education to have classes so that people can learn the English language—and that is really the way you make English the official language, let people learn the language, and we ought to do that—we are cutting \$8.8 million out of that.

I believe that the amendment by Senator DASCHLE is a sound amendment.

I agree with Senator PACKWOOD and I agree with our Presiding Officer that

we need a balanced budget amendment and that we ought to start from a zero base and not a current services budget. My hope is, and my belief is, that Senator DOMENICI is going to do that with the Budget Committee this year.

But, I think it is a mistake to cut back, particularly in this area of education.

I note on the floor the presence of the Senator from Vermont, who has been rightfully telling us for some time we ought to be spending a higher percentage of our budget on education.

It is very interesting, as interest has grown because of the deficit, we have spent less and less on education. In fiscal year 1949, believe it or not, 9 percent of the Federal budget went for education. Today, 2 percent of our budget goes for education. We will spend 11 times as much this year on the gross interest expenditure as we will spend on education.

Mr. President, I hope we will adopt the Daschle amendment. This should not be a partisan matter. I think it makes sense. I hope we will do the right thing for the future of our country and vote for it.

Mr. President, I yield the floor.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

#### PRIVILEGE OF THE FLOOR

Mr. JEFFORDS. Mr. President, I ask unanimous consent that Cory Heyman, a Jacob Javits fellow in my office, be granted floor privileges for today's proceedings.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS. Mr. President, I would like to talk to my colleagues about the rescissions bill and also, in a broader context, about the situation with respect to education in the country.

I am going to run through a relatively large number of charts today, each of which is very significant and with a great deal of information involved. As time progresses through the spring, I will go over each of these areas in greater detail.

But I think now, as we begin talking about the rescission bill, it is important that we examine the cuts in the critical area of education.

When it becomes necessary to cut, it is easiest when everyone holds hands and says, "Oh, let's take our cuts and suffer together." However, in some cases, cuts may exacerbate the deficit problem, not ease it. Education is a critical item in this regard.

Earlier this year, business representatives from the Business Round Table, the National Alliance of Business, NAB, and the chamber of commerce approached me with concerns about the state of the work force and its ability to meet the increasing effective international competition.

As a result, this Wednesday, a summit will be held here in Washington



with business and education leaders, parent and student representatives, and political leaders.

I would like to share with you today the facts I will share with them on Wednesday. It is my hope that, when you review this information, you will agree that cutting educational funds could be most counterproductive to deficit reduction and for our future.

When the Berlin Wall came down, we all breathed a sigh of relief. But as we were beating against the wall over the decades since World War II, our economic competitors were beating us in entering into the evolving markets around the world. They now stand ready to meet the demands of the new markets of Asia, Eastern Europe, and the rest of the world.

Ours remains the most productive economy in the world, but our failing educational system and the inability to provide the necessary work force for our industry is seriously threatening our edge and our economic future.

Most worrisome is that the gap between our level of learning and that of our major competitors is increasing—that is, it is getting worse—not decreasing. Especially in the critical areas of math and science, American children trail their counterparts in Europe and Asia. And they are losing ground.

Let us take a look at the status of our education. I would remind everyone that in 1983, Secretary of Education Bell, under the Reagan administration, set forth "A Nation at Risk" and analyzed our educational system, analyzed where we stood in the world and declared that this Nation was at serious risk. In fact, he went on to say, in words of this nature, that if an enemy of this country had forced upon us the educational system that we have in this country today, we would consider it an act of war.

Since that time, 1983, a number of serious reports, documents and books have been written, all saying the same thing. We have had two summits since then. We established goals in 1989, which were adopted this past year, to determine where we must be in order to be competitive in the international world.

I think this first chart that I will show you, chart A, kind of says it all with respect to where we are with the rest of the world in those critical areas of math education. Look at it. You can hardly even see it is on the chart.

But the most startling aspect of this chart is to look at who No. 1 is—China—China, by far. And when you consider that it has a population of nearly 1.2 billion people and when you consider the serious deficit that we have in our trade with China, can you not help but be concerned that this is a serious problem.

But if you do not like that one, if you do not care about the international scene, if you do not think we have to worry about our market, take a look at

this next chart. This is the one which shakes me up the most.

This one says that over half of the high school students in this country who graduate are functionally illiterate. That means they are unable to perform basic tasks to get a job.

That is so startling to me that I cannot help but wonder whether or not this Nation is going to survive if we do not do something.

The business community is deeply concerned about this. In fact, there was a report that came out a few weeks ago, which was reported in the New York Times and elsewhere, which indicated that businesses do not even bother to interview high school graduates anymore. It is not worth their time. They are not educated enough. What business does then is spend some \$200 billion a year to train and educate their workers. I will show a chart later which illustrates the costs associated with a well-trained work force.

Let us take a look at where we stand. We established a goal under Goals 2000, that everyone shall be educated at least to meet certain basic standards. We set forth a curriculum and standards in the 1983 report, "A Nation at Risk." In 1990, only 22 percent of our high school graduates were adequately educated in the recommended core curriculum.

We have a serious problem. Yet, we have a hard time convincing many of that. I found myself going to my own local high school and asking the question:

"How are we doing?"

And they said, "We're doing fine."

Then they told me, "Well, our kids now are taking calculus and some of them are taking it in their junior year."

I said, "Wow, that's great, I didn't get it until I was in college."

However, the problem with that is if you are in Taiwan, Japan, or other areas, you are getting calculus in your freshman year. And one wonders why we are so far behind.

I think the only way we can get people to understand is to show the impact it is having upon the Nation as a whole. I feel in this Nation, we have a tendency—I know I do—to compare our school system with the one in the next county or our State with another State, but we fail to compare it with those of our competitors.

If you take a look at this chart, and you will see as we go through these charts, if we do not have an educated population and if you as an individual do not have an adequate education, you will not have an adequate earning capacity in this Nation, to give you the kind of lifestyle you desire.

This chart basically shows that education means a job, and the more education you have, the more money you are going to make during your life. It also indicates that about 25 percent of the people who are school dropouts, many of whom are also functionally il-

literate, have an extremely difficult time finding employment.

But as this shows, if you get a bachelor's degree your earning potential almost doubles; if you go up to a master's, it will double again. The point is if we do not have an educated population, if you are not well educated, you have a very limited earning potential.

Let us take a look now at the differences this means in the standard of living in this country. As I indicated, our education has not kept up. Our competitors are beating us. This is a chart which is used over and over again to show that in the last 20 years or more, the person who drops out of high school has seen a decrease of 35 percent—I repeat, a decrease of 35 percent—in their real income.

If you only have a high school diploma, you have seen an 18-percent decrease in your median family income, and if you had some college but did not graduate from college, there has been an 11-percent decrease over the last 20 years in your standard of living. Only those who went to college and beyond have seen an increase in their standard of living over the past 20 years. That is a sad commentary on where we are.

I think it is important that we keep this in mind and recognize that we have to improve the educational system. In a few moments, I will go on to explain what must be done and how I hope we can accomplish it.

Now let us get to the area we are discussing today and will be discussing in the next few months, and that is, what does the budget do, what impact does it have on our future budgets? What we find on this chart is that over half a trillion dollars in costs are suffered by this Nation because of a failed educational system.

Let me run through these figures. It costs \$225 billion to our businesses each year—\$225 billion each year—for remedial education, to teach the young people the things they should have learned up through high school, and for skill education, the things that they need to have to hold a job which will help us in our international competition in order to increase our Nation's productivity.

We spent \$208 billion for various welfare expenditures in this Nation. This is yet another reflection of what happens when people are not sufficiently educated. There are some 80 million functionally illiterate individuals in this country who cannot fully contribute to our economy; \$43 billion is the cost of crime to our society; incarceration costs anywhere from \$20,000 to \$60,000 per inmate, money which could be put to better use. Money is not the only way we suffer from crime; it also poses a danger to our society. Yet when we recognize that close to 80 percent of the people incarcerated are school dropouts, it indicates how extraordinary the impact of education is on our society.

We have \$200 billion for expenditures on our citizens for lost productivity as well as, I mentioned, training.

What I want to point out is if we decrease our expenditures in education, then we increase the social costs and in turn our deficit will grow. But equally important—it is not shown on this chart—is that if we did not have to pay for these undereducated individuals and if there was not the drain on the economy their lack of education caused, we would actually have \$125 billion more in revenue.

So when we cut back on education, we run the risk of not only increasing social costs but also decreasing the amount of revenues we will have at our disposal.

Let me go on and talk about the basic question which is relevant to the area of the deficit.

There are people who will say—and they are correct—that lack of money is not necessarily the problem and, in many cases, this is true. We spend more than any other society does, as a percentage of our gross national product, on education. But what we do not do is get our kids to learn as much as other young people do in this world.

Let us take a look at one of the areas that should graphically display why we are behind our international competitors. The only thing we need to look at in this country is the number of hours our kids spend watching television.

Look at that chart, it shows that we have far outpaced all of the other children in the world by the amount of time they spend on education, and yet we have the least amount of time spent on homework.

Yes, the problem is not just necessarily money. There is no question about it. A lot has to do with parents, a lot has to do with our culture, which sometimes puts leisure time and TV ahead of homework.

Let us take a look at the next chart. The next chart I want to point out is that even though we expend a lot more money than other countries do on our education, there are still areas we all agree are important and yet there are dire insufficiencies. For example, programs that assist lower-income individuals.

First of all, studies show that early intervention helps. A Michigan study, which was a 20-year longitudinal study, indicates that although kids will catch up in educational aspects, many who suffer for special education needs, will suffer social misadjustment. Yet all of those problems decrease substantially if you have a program like Head Start preschool education.

I remember when I first came to the Senate. A group of CEO's came to my office. I thought they would talk about tax relief, but they said the thing we need to do right away is to fully fund Head Start in order to get our educational system up to par. I will never forget that meeting because it made me fully aware of the educational needs of this Nation.

Title 1. That is, again, an educational program for low-achieving students in high-poverty areas, to help bring them up to par. Funding this program fully would be another \$12 billion a year.

Special education. I was on the committee that wrote the special education law in 1975. It was a necessity. The courts ruled that every child in America is entitled to an appropriate education. We wrote the law that established the national criteria to make sure that people would be in compliance with the Constitution. We said we would fund it at 40 percent of the total costs of special education in the country. If we were funding it at 40 percent right now, many educational needs would be met and schools would not be in the dire circumstances they are in. Some 44 States are in crisis, as far as funding education. That would cost us another \$11 billion a year if we were to fully fund the needs for special education—the funds that we promised our Nation when we passed that law many years ago.

To reach full funding for all three categories, it would require another \$31 billion a year. That is to increase costs in programs that everybody has agreed are essential and necessary to education.

Mr. President, in conclusion, I want to say that we are faced with serious problems with respect to the deficit of this Nation. We know that we have to bring down the cost of Government. But it is important to remember the importance of educational funding as we go forward. Right now, 50 percent of our young people do not have the basic requirements of education to meet the demands of this Nation in order to be ready for a job. That is intolerable.

Take a look at international competition. People out there are seizing our markets. At a time when markets are expanding rapidly in Asia, Eastern Europe, and central Asia, we are not ready and will not be ready unless we change right now the priority that education receives in this Congress and in the country.

As I said, we will be having a summit meeting this week on Wednesday and we will have leaders from all over the country who will be examining what we should do as a country to ensure that our work force is ready for the next century and that our industry, which has provided us with a bountiful living over many years in the past, will be there when we need it.

On the positive side, I note that recently we had six young men that were involved in an international math competition. They not only came in first, but they had perfect scores. But as I pointed out earlier on a chart, it is the average that counts. Our average is among the worst, not the best.

Mr. President, I have traveled to cities and around this country and I have found programs that swell my heart with pride, and I feel that there is hope and there are ways that we can succeed. But those examples are few and

far between. I have seen much more that indicates to me the frightful direction that our educational system is taking.

Mr. President, it is up to us in this body, in the Congress, to ensure that we do not do what is so tempting in these times of strife, and that is cut education along with other programs. We should do all we can to make sure that we bring education to a capacity that will meet our needs in the next century. Mr. President, if we do not help our kids, then this country will fail. I feel very strongly, as chairman of the Senate Subcommittee on Education, that I have a responsibility to make sure this body is aware of what must be done.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I want to, at the outset, commend my friend and colleague from Vermont for the focus and attention he has placed in the area of education. I think all of us in this body know that he has been a real leader, along with my friend and colleague from Connecticut, Senator DODD, in trying to bring a much greater focus and attention about the importance of the total investment in education as a national priority. He has been prodding this institution—and I know the appropriators—to try to give that major focus and attention.

As chairman of the Education Committee now, he continues his work, not only in attempting to shape and refashion existing programs more efficiently, but also in terms of the priorities of investing in education. I welcome his strong and clear statement. It is a very important statement. I just want to say that it is one that should be listened to.

I think during the course of this week, after the disposition of the conference report, which I expect to be done in a very short period of time, we will be back on the broader issues of Senator DASCHLE's amendment and Senator DOLE's amendment; and then, if those are not successful, as I understand it, there will be additional opportunities later in the week to focus on different parts of the composite amendment, and in particular on education. So we will have some opportunity to, in a more exact way, address the priorities of education. I certainly am hopeful that we can reflect in our ultimate rescissions bill some of the priorities that he has talked about.

Mr. President, I wanted to just take a few moments of time to address some of the points that were made by my friend and colleague, the Senator from Oregon, about the various cuts that were being proposed and the impact there was going to be in terms of real people across the country.

I think there was reference made to the various provisions of the underlying amendment, which is the Daschle

amendment, which brings some restoration of the funding, or at least does not eliminate moneys that were authorized and appropriated. As I think the membership understands, we are not talking about additional appropriations. We are talking about appropriations that have already been made and now are being diminished, or have been targeted for reduction by the rescission program and the amendment which will be before the Senate again this afternoon, which will restore some of that funding in some of these key areas.

The Senator from Oregon was pointing out that really these cuts are not really so bad because they are not really cuts, but they are a reduction in the increase in expenditures. I know that is perhaps the desire of some and perhaps the intention of a number. But the fact of the matter is, particularly when you take a look at what is happening over in the House of Representatives, it is the Senator from Massachusetts talking about real cuts; it is, for example, the CBO that talks about some \$7 billion in current services, cuts in terms of the total nutrition programs, their estimate in terms of the nutrition programs. The Food Stamp Program would be cut some \$21 billion over the next 5 years.

So I think that, quite frankly, these are more than just a reduction in increases. You are going to have some real impact and effects in terms of what is happening in the local communities. That is what I am getting when I travel around my State of Massachusetts from people who have been working in the vineyards for a long period of time and have a good understanding and awareness of the various programs and what they mean in terms of the local communities.

Of course, when we talk about Head Start programs, as my friend and colleague from Illinois pointed out, we are only talking about 35 to 38 percent of the total eligible children who are receiving it. We are very far behind the curve.

I think the Senator from Vermont reviewed that in greater detail, as well as some of the other education priorities, such as the school nutrition programs.

Currently, schools participating in the lunch program are reimbursed for every lunch served to a child. Children from families with incomes at or below 130 percent of the poverty level are eligible for free meals. Children between 130 percent of poverty and 185 percent of poverty are eligible for reduced-price meals. Children over 185 percent of poverty pay full price.

The School Lunch Program operates in 95 percent of all public schools, representing 97 percent of all public school children. The cash reimbursement rates are \$1.75 for each free meal, \$1.35 for each reduced-price meal, and 17 cents for paid meals.

While reduced-price lunches must cost no more than 40 cents, no limits are imposed on the amount of money

that can be charged for a full-price meal. Some 25 million children participate in the School Lunch Program—at different levels, obviously, in terms of the support.

During the last recession, the number of school children receiving school lunches increased by 1.2 million.

We are now, even on the school lunch programs that are talked about in the House, that slack will not be picked up automatically in the School Lunch Program, but will be up to the whim of the priorities in the various States.

If we look at what has happened in the States, particularly with regard to children over the period of the last 10 years, 3 million more children are living in poverty in the last 4 years. No one can have a great deal of satisfaction that they are the ones whose needs will be attended to.

Currently, as the number of children eligible for free and reduced-price meals increases, the amount of Federal funds spent on the program increases. That is because we made a decision that meeting the nutritional needs of children is in our national interest and, therefore, all children who are eligible for a free or reduced-price lunch will be offered one. That fundamental national commitment has been altered or changed with the Republican block grant proposal.

With the block grants proposal, it says, well, we will leave it up to the States. We think the States will do that, but we are not saying, as a matter of national policy here in the Senate of the United States, that that is going to happen.

We might expect they will, we might hope they will, but we are not providing them either with the resources to do it or the guarantees that it will be done.

That is a major difference. We can quibble about all that we want in terms of what is happening, but the fact of the matter is, children will not get that fundamental guarantee, which is so important.

As I mentioned, the House proposal reverses that decision. Instead of guaranteeing every child a hot lunch—subsidized, of course, for those who cannot afford to pay for lunch—the House bill caps the amount of funds available for school-based nutrition programs, including school lunch.

So if the Republican position prevails, there will be no guarantee that a hungry child will be fed at school. There is no guarantee of that. There is now. That is a fundamental difference. Once the funds are used up by the States, that is it. Children are not guaranteed a lunch.

In fact, since the nutritional standards will be repealed if the House position prevails, the children fed will not meet the basic nutritional standards. We are not only repealing the guarantee, but we are repealing the nutritional standards.

As we pointed out before, the savings, so to speak, are being used for the tax cuts.

There is no flexibility built in for the economic emergencies, whether national, State, or local emergencies, and regardless of their nature. We will have repealed the entitlement nature of the program, replaced it with a cap amount of funding containing no adjustments for changes in the economy, population growth, or food price increases.

Some supporters of the block grants proposal try to make the argument that the block grants provide more children with school lunches. This is simply not plausible. To take a program that automatically provides schools with reimbursement for each child's meal based on a family income and replace it with a program that does not guarantee each child a meal, that does not adjust the funding based on the number of poor or low-income children needing lunch, that does not adjust for food price growth, is a cut in the program. It is a cut in the program, any way that you look at it.

If the number of poor and low-income children who need a school lunch grows beyond the funding that is authorized, children will have to be denied a free lunch or be required to pay more than they can afford, or receive an inferior lunch. Or maybe those who can pay will pay two, three, or four times as much as they do pay now, the sons and daughters of working families, as well.

Then we hear, well, there is more money in this program. More money compared to what? Compared to what CBO estimates is necessary to continue providing lunches to all school children who need them, like we do today?

No. According to the CBO, in fiscal year 1995, all child nutrition programs are funded at about \$11.6 billion. It is \$7.6 billion for child nutrition programs like school lunch, school breakfast program, summer food service; \$400 million for commodities; \$17 million for special milk; \$3.4 billion for WIC. Funding would drop to \$11.3 billion in fiscal year 1996 under the House Republican proposal; \$6.6 billion for the school-based nutrition program and \$4 billion for the family nutrition block grant.

That is a \$300 million cut, without even looking at inflation, without even looking at the 5-year numbers, without even looking at the fact that beyond food price growth, the school age population itself will grow by 4-percent to 6-percent during the next 5 years. And the 4 percent to 6 percent growth does not include adjustment for any type, in the event that the economy slows down or unemployment increases.

Mr. President, I just cannot accept that this is just a reduction here on the funding of programs that are meeting our needs. They just are not doing it. That is true not only on the nutrition programs, but also on the other programs.

I talked about the school lunch programs. And the rescission bill will reduce, in addition to the \$2.5 billion cut

from child care programs over 5 years in the House bill, will deny 378,000 children child care.

There are only 750,000—this is part of the child care program, very small child care return—but looking at the current situation, only 750,000 out of 8 million children eligible for child care currently receive assistance.

Many States have waiting lists for child care assistance that are simply astounding. GAO found waiting lists of 40,000 children in Texas and 255,000 children in California, taking as long as 2 or 3 years to get help in those States.

During 1993, Florida and Illinois each reported waiting lists of 25,000 children. A recent report by the Urban Institute found that it can take 5 years to get a child care slot in San Francisco. Birmingham, AL, alone has 5,000 families on a waiting list.

The idea that people can come to the floor and say, "We are cutting the existing child care program," that it has gone through the appropriations—we are trying to just have a very, very, modest return of a child care program, based upon those kinds of needs.

Try to find, for working families in my State of Massachusetts, child care for \$5,500. You will be lucky in any part of the State. Some are more costly in a number of communities. At the same time, we are putting pressure on these same parents to move out of a welfare situation—they may have small children and they want to work.

We have to ask, what is happening to the parents when they are not able to get child care? They are either not getting jobs or they are locking up their kids, or they are getting completely inadequate coverage for their children.

Quality child care creates opportunity and increases productivity—not just for one generation, but for two generations.

The GAO recently reported that assistance with child care makes it much more likely that low-income mothers will be able to work. And no wonder. The costs of child care consume over a quarter of the income of poor working families, as compared with just 7 percent of the income of nonpoor families. Without child care assistance, it is virtually impossible for many poor parents to go to work. What is happening out here is they are cutting back on these programs even more.

Child care is not about giving parents a blank check. It is about giving them a fair chance. Cutting children makes no sense. It will only pass the real life tragedy of dependency on from this generation to the next.

Families cannot afford that—and neither can we. That is why I support the restoration of funding for child care assistance for working families in the Daschle amendment.

The Senate rescission package also cuts \$35 million from the WIC Program, which provides nutrition assistance to 7 million low-income women and children. It has long received bipartisan support, because it saves money in

health costs in the long run by reducing the incidence of infant mortality and low-birthweight babies.

Since its inception, the WIC Program has been a stunning success. GAO has found that it has saved \$1 billion—\$1 billion—in medical expenses through the age of 18. We have spent \$300 million and saved \$1 billion. If that is not a wise investment for our Nation's children, I do not know what is.

Yet as many as 70,000 fewer children will be served by the WIC Program each month over a 12-month period as a result of this unjustifiable cut.

We are talking about, here, really is basically investment in children and good quality care. We are talking about WIC. We are talking about the Head Start Program, chapter 1, the drug-free schools. These are the programs we are trying to restore.

As I mentioned earlier in the course of the day, at a time when, evidently, we have seen the loss of \$3.6 billion, that has been lost somewhere in that conference, hopefully to be recovered at an early time, many of us are out here trying to restore these programs which are lifelines to the children in this country, it underscores the importance of the Daschle amendment.

In a March 7, 1995, Boston Globe editorial, Prof. T. Berry Brazelton of Harvard Medical School wrote:

Simply put, WIC works. And it works because it has forged an effective combination of state and federal involvement. The states administer the program, but under strict federal guidelines that ensure high nutrition standards, clear focus and consistent impact. The risk in our rush to right our nation's fiscal house is a loss of the very guidelines that have made WIC so successful.

Berry Brazelton, for those who have not either heard of him or read his articles, or listened to him on interviews, everyone who knows of his work with regard to children—he is really the Nation's favorite pediatrician. He is just an extraordinary human being who has appeared before our committees over a number of years and his words should be carefully considered and measured and, I think, adhered to.

Dr. Louis Sullivan, Secretary of Health and Human Services in the Bush administration, said in a Washington Post article:

... Among my concerns ... is that we may inadvertently strip programs of the national standards and guidelines that make them work. In the case of WIC, nutrition requirements guide the program toward better health, and Medicaid savings, while avoiding the potential confusion associated with creating a complex web of fifty state rules. Our children's health is not defined by state boundaries. Our nutritional standards should not be either.

He makes the point good nutrition in schools, the WIC programs, are matters of national responsibility. The WIC Program, as I know our Members understand, has been something that has been enormously important. There is a very modest return in the Daschle amendment for that particular program.

Both the House and the Senate rescission packages hit at-risk youth very hard: 80 percent of funding for year-round youth programs—the principal training and employment assistance for poor out-of-school youth—would be cut. Overall youth funding would be cut by about 40 percent, and the number of youth served would be reduced by over half. The impact of these rescissions is compounded by the likelihood that the cuts may be permanent, meaning that for the next several years close to a million fewer youth each year will be served.

We are in the process now of working to improve many of the youth training programs. We have 400,000 children every year who are dropping out of our high schools. They are a source of unrest in many of our local communities.

We have woefully too few programs or efforts to try to reach out to these young people. What we are trying to work through now, with Senator KASSEBAUM, is to utilize the school-to-work programs for the 70 percent of the children who do not go on into higher education. We want to work with the private sector in a partnership to move these young men and women into employment and also, as you develop those programs, to try to reach out to a number of the young people who may have dropped out of schools to bring them into the process as well.

If you emasculate the existing programs, our chance to once again reach out to young people who are basically those at the highest risk in terms of the criminal element in our society will not come to fruition. It is serious, important, bipartisan efforts that are being worked through now. It seems, with the dramatic kinds of cuts that are suggested here, we will basically undermine, in a very significant way, some of the very useful work I think can still take place.

Mr. President, I know others want to speak on the floor on these measures.

Let me just say I am very hopeful we will move towards the completion of the conference report, that we will have an opportunity to vote on a resolution, which will hopefully be supported by Republicans and Democrats alike, that will address the tax loophole that has been identified and which was addressed by the Finance Committee earlier. I hope that we will be afforded that opportunity, and that Republicans and Democrats together will work to support that resolution.

As we have heard, the majority leader and others, Republicans and Democrats, say it is their desire to address it. I am more than glad to do it. It is a sense of the Senate that:

The Congress of the United States shall act as quickly as possible to amend the Internal Revenue Code to end the tax avoidance by U.S. citizens to relinquish their United States citizenship.

And the effective date of such amendment to the Internal Revenue Code should be February 6, 1995.

That statement has been incorporated by the majority leader, the chairman of the Finance Committee, the Senator from New York, and others on the Finance Committee as they desire. I hope we could either act on this resolution or a joint leadership resolution of the majority and minority leaders that would incorporate that concept.

I do not believe there has to be additional debate and discussion about it. We have had a chance to talk about it. Let us set a time to be able to do it. Let us send a message at the time that we are going to be debating the rescission package and the Daschle amendment that we can afford to cut these programs for children—WIC, the school lunch, the Head Start Programs—but we still cannot agree to close the loophole that is worth \$3.6 billion.

I think the American people just cannot and will not understand it. I am very hopeful that we will be able to do it.

Mr. President, I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, let me commend the distinguished Senator from Massachusetts for what he is talking to now of fundamental programs that constitute investments—not spending—to save spending, to eliminate deficits. If there is one misgiving that we have with the ongoing exercise of the Contract With America—and it is good to bring in a new group and have a tonic, to turn our attention to where savings can be had—but in the zeal to try to bring about certain savings there is a mix of arrogance and more or less mob action pellmell for hell, let us just cut it all, everything, without any idea of what really saves money and what costs money.

For instance, for every dollar spent on women, infants and children feeding we save at least \$3. For every dollar spent on Head Start we save \$4.75. For every dollar spent on title I education for the disadvantaged we save another \$6.50.

And having experienced government over the years, I have learned what saves money. For example, I had a problem 25 years ago with my own State on the subject of hunger and feeding. I had made a mistake as Governor. I had not paid too much attention to the hungry. In fact, a rejoinder had been given to me by my friend, the senior Senator, "Well, there was hunger and the hungry in the days of Christ, and there will be hunger in the days after we are long gone, and it is almost a given." Not so. Not so at all.

At that time, I met and studied with those in the medical profession and in the nutrition discipline—Dr. Neville Scrimshaw at Harvard, Dr. Cravioto at Cornell, later at Columbia University, and Dr. Charles Upton Lowe, the chairman of the Committee on Nutrition of the American Academy of Pediatrics at that particular time. They had found

that every adult has 13 billion brain cells in the cortex, and 10 billion of the 13 billion develop in the first 5 months in the mother's womb.

However, there is as much as 20 percent less cellular development of those brain cells resulting from the lack of nutrition, the lack of synthesis of those nerve cells, and the lack of protein. It is much like taking a television set off the desk here and dropping it on the floor, putting it back here, and turning it on. The hundreds of wires of circuitry do not join, do not connect. And in the field of brain medicine, they call that organized or general brain damage. That child is stultified in the first 5 months in the mother's womb and comes into this world with organic, or generalized, brain injury, lacking an ability, if you please, to concentrate, to assimilate, to be educable in the fullest of senses.

So I joined with Senator Humphrey after he came out of the Vice Presidency back into the Senate. I was not on the Agriculture Committee at that time. But we talked of this problem that we had in women, infants, and children's feeding. We found out that if we rendered protein supplements for expectant mothers, which now cost in the vicinity of around \$400 over the 9-month period, we could save practically \$30,000.

I just visited in the university hospital in my own hometown, the Children's Hospital at the Medical University of South Carolina. They had some 85 low-birth-weight infants. In my early days they would have been unaccounted for and lost; little low-birth-weight infants of 1½ pounds, 2 pounds, 2½ pounds. They had nurses around the clock. I will never forget it. It cost some \$15 million to keep some 85 nurses going around the clock treating those little infants. The average stay for a low-birth-weight infant on that incubator in intensive care is 30 days at \$1,000 a day, or \$30,000.

So this is not a sick call by the distinguished Senator from Massachusetts for liberal spending programs. This is a studied investment by liberals, conservatives, Republicans, and Democrats alike to spend now to save billions later. That is the one misgiving I have about this so-called Contract With America because its proponents have no sensibility. They come here on the first day and all of sudden they have wisdom. Without any experience or a day in public service whatever, never having listened and learned anything, in a fell swoop they come in with across-the-board so-called spending cuts that actually will cost us billions.

Mr. President, when that baby comes in as a low-birth-weight infant, like it or not, it is yours and mine. We are going to take care of it in some children's hospital, in some intensive care unit, and for the wealthy parent or the poor, that cost is really going to the general public.

So we need to stop these penny-wise, pound-foolish cuts to preventive pro-

grams. We should never think in terms of tax cuts here for billionaires who have made their wealth in America and then renounce their citizenship in order to avoid taxes. It is almost a treasonous kind of activity in this Senator's mind and never should be dignified or recognized in law as a worthy project when we are going around cutting spending.

I am for cutting spending. I am for freezing spending. I am for closing loopholes, and I am for taxes. I have challenged this body and all Senators to give me their realistic budget plans since January. I will never forget the distinguished chairman on the House side of the Budget Committee, Congressman KASICH. On December 18, 1994, on a national TV program he came on and said, "Don't worry about it. We don't care what the President puts in. We have three budgets before us. We are going to introduce them. But before we have tax cuts in January we are going to have the spending cuts and have this budget."

Well, it is now April. It is going to be May or June before they get around to specifying their cuts. I met that particular challenge in January. I worked with the best of minds. I have introduced a list of cuts in the CONGRESSIONAL RECORD at least four times by now that shows that in order to get on a glidepath of balancing the budget by the year 2002, you have to cut \$37 billion in domestic discretionary spending in the first year. Even with those reductions, the interest cost rises faster than the cuts. That is the only good, solid, credible attempt I have seen to show the kinds of cuts that are necessary, and I do not think I could vote for them all. And cuts of even this severity would require 7 years to reach a balanced budget.

I remember when President Reagan came to town. He said he was going to balance the budget in 1 year. Then, after he got in town, he said, "Oops. This is way worse than I thought. It is going to take me 2, maybe 3 years." So the Budget Committee started submitting 3-year budgets. Then by the mid 1980's, the committee said "Whoops, it got worse. We are going to have 5-year budgets." Now they have 7-year budgets. And I can tell you, after a few more years, they are going to have 10-year budgets. It is like a football game where they keep moving the goalpost.

A sincere effort to balance the budget will not cut out basic investments that save money in the long run. Realistically, it is going to take taxes as well as spending cuts, spending freezes, and loophole closings.

I think the Senator from Massachusetts has really brought a sobering moment to this body that allows us to understand that the proposals before us do not save money. Oh, the national media, lazy as they are, are running around saying that this rescissions bill has so much in spending cuts, and they

refer to these fine investment programs as cuts. But I can tell you, when you consider the costs to Medicaid, to the hospitals, to the schools, to the workplace and the economy, and on down the line, you will find that the proposed cuts actually increase spending. This is the lesson of those children at the medical university.

So I hope we can listen to this debate and understand that the Senate is not just in a race to get so many marks on the so-called Contract With America or whatever it is. It is a serious job of trying to cut back on overall spending while investing in programs that will save money in the long run.

I yield the floor.

Mr. SPECTER. Mr. President, I strongly support the conference report to H.R. 831, the Self-Employed Health Care Deduction Act.

There are approximately 9 million self-employed business owners representing almost 10 percent of the working population. These individuals are employed in all types of industries: from mining and service industries to construction and manufacturing. They are the entrepreneurial small business men and women that spur our national economic growth. These are the individuals that embody the American dream. This provision is critical to their survival.

My offices have been inundated with hundreds of calls from concerned taxpayers around Pennsylvania urging the Congress to reinstate the deduction. These callers are just a fraction of the 9 million self-employed taxpayers that are relying on us to pass this measure as quickly as possible so they can continue to utilize this deduction for the 1994 tax year.

Mr. President, I have consistently supported this deduction for the self-employed. In the 103d and the 104th Congresses, I introduced legislation to provide targeted health-care reform. One of the major provisions I included in that bill was 100 percent deductibility for health insurance for the self-employed. Under current law, businesses are permitted to deduct 100 percent of what they pay for the health insurance of their employees, but self-employed individuals may not deduct any of their cost because that provision expired on December 31, 1993. It is hard to find a provision in the Internal Revenue Code that is more discriminatory than this one.

According to the Congressional Research Service, 3.9 million uninsured workers are self-employed. Providing full deductibility of health insurance premiums, beginning with reinstatement of the 25 percent deduction for 1994 and researching 100 percent by 1993 for self-employed individuals is a simple matter of fairness. It should also make health insurance coverage more affordable for the estimated 3.9 million self-employed individuals and their families who are now uninsured.

On January 19, 1995, I signed a letter along with 74 of my colleagues to Ma-

jority Leader DOLE and Minority Leader DASCHLE urging them to reinstate this expired provision. I believed then, as I do now, that the interests of hard-working Americans need to be a top priority before the U.S. Senate.

Accordingly, I urge my colleagues to support the reinstatement of this provision. This legislation is an important first step in providing tax fairness to our Nations' self-employed business owners.

I thank my colleagues and I yield the floor.

(At the request of Mr. DOLE, the following statement was printed in the RECORD.)

• Mr. HATFIELD. Mr. President, I am pleased to announce my strong support for H.R. 831 which would permanently extend the deduction for health insurance costs for self-employed individuals. This legislation will allow, on a permanent basis, self-employed small business owners, sole proprietorships, and partnerships to deduct a portion of their health insurance costs for tax purposes. This legislation will assist those small businesses which are so vital to the economy of my State of Oregon, as well as the rest of the Nation. I am pleased that the 104th Congress is about to address this issue on a permanent basis. •

Mr. PRYOR. Mr. President, today we take a step forward to correct a situation adversely affecting small businesses and farmers which I have many times called an absurdity.

During this tax filing season, over 9 million self-employed small businesses and farmers will fill out their tax returns. And when they do, they will learn first hand of how this absurdity affects them and their family. The absurdity I am speaking of Mr. President is that no part of their health insurance premiums are deductible in their 1994 tax return due April 17—just over 3 weeks from today.

This in contrast to owners of large corporations that have a permanent 100 percent deduction, and that typically pay smaller health care premiums because of their size. It is a double penalty Mr. President. A double penalty on innovators and job creators in our economy—people who should be encouraged, not penalized.

Mr. President, this inequity must be corrected and it must be corrected quickly. This should be a high priority for this Congress, and I am very happy that we are taking up this matter today.

I want to comment briefly on one aspect of this bill which is extremely important—and that is this deduction for health insurance will be made permanent.

Many times we focus on the amount of the percentage deduction. In the past it has been 25 percent, and today's bill increases that percentage to 30 percent which is a very positive step toward the goal of a 100 percent deduction which I hope we will continue to work toward. In fact, Senator GRASS-

LEY, Senator ROTH and I introduced legislation in January of this year to achieve a 100 percent deduction by 1997, and I look forward to working with them again in the future to meet this goal.

But Mr. President, I cannot stress enough the importance of making this deduction permanent, and this is borne out by the history of the deduction.

In 1986, the self-employed were first given 25 percent deductibility as part of the Tax Reform Act of 1986—with the understanding that it would be eventually increased to 100 percent, the same deduction incorporated business enjoy.

In the Omnibus Budget Reconciliation Act of 1989, the deduction was extended for 9 months. In 1990, 25 percent deductibility was extended through 1991. And in 1991, 25 percent deductibility was extended through June 30, 1992. Mr. President, each time we scrambled to reinstate the deduction—uncertainty surrounding the deduction was high, and it was shameful to treat the self-employed in this way.

But on June 30, 1992, the worst scenario happened—the deduction expired. Small businesses and farmers could not deduct the cost of their health insurance. The 1992 tax season came and went and still there was no reinstatement of the deduction because of the difficulty of moving any tax bill. Then, in August 1993, as part of the Budget Reconciliation Act, the deduction was retroactively reinstated from July 1, 1992, to December 31, 1993. Self-employed were required to amend their 1992 returns to take the deduction, and no doubt some failed to do so and lost their deduction.

So that brings us to 1994 when the deduction once again expired, and no bill has been moved to correct the inequity—until today. Mr. President, this uncertainty is unpardonable and it must not happen again. Under this legislation the deduction will never again expire—it is permanent.

Mr. President, we all understand the difficulty of moving a tax bill on the Senate floor where any of the 100 Senators my offer any amendment with no time limit. So that is why I and my friend and colleague on the Finance Committee, Senator ROTH, sought signatures on a January 19, 1995, letter to Senator DOLE and Senator DASCHLE stating that we would “not support or offer any amendments to the legislation” should they schedule it for Senate floor action.

We were pleased to obtain 75 of our colleagues' signatures, and I am even more pleased today that no amendments will be offered and we will agree to the bill on a voice vote. I ask unanimous consent that a copy of the letter be printed in the RECORD, and I thank my colleagues for putting aside some issues very important to them in order to correct this problem and quickly as possible.



There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,

Washington, DC, January 19, 1995.

Hon. ROBERT DOLE,  
Senate Majority Leader,  
Hon. THOMAS DASCHLE,  
Senate Minority Leader,  
Washington, DC.

DEAR SENATOR DOLE AND SENATOR DASCHLE: We are writing to you regarding the need to extend the 25% deduction for health insurance for the self-employed, which expired at the end of 1993. As you know, more than 9 million self-employed business owners, representing almost 10% of the working population, lost the ability to take this deduction when the law expired. It is our hope that the Chairman of the Ways and Means Committee will soon take up this legislation as a stand-alone bill, and that the House will soon pass this bill and send it to the Senate.

In order that we may move as expeditiously as possible, we are writing to assure you that if you receive this legislation, and if you schedule it for Senate floor action, we will not support or offer any amendments to the legislation. As many of these small business men and women begin to file their 1994 tax returns, we believe that it is essential that Congress act now to avoid the administrative difficulties that could arise from amended returns if the legislation is not passed until after April 15th. Thank you for your consideration.

David Pryor; Don Nickles; Jesse Helms; Arlen Specter; Bill Roth; Chuck Grassley; Dirk Kempthorne; John Warner; Mitch McConnell; Ted Stevens; Kit Bond; Dale Bumpers; Chuck Robb; Paul Simon; Carol Moseley-Braun; Joe Lieberman; J. James Exon; Connie Mack; Bob Kerrey; John McCain; J. Bennett Johnston; Harry Reid; Wendell Ford; Kent Conrad; Sam Nunn; Ernest Hollings; Jeff Bingaman; Max Baucus; Kay Bailey Hutchison; Spencer Abraham; Bryon L. Dorgan; Dan Coats; Patrick Leahy; Herb Kohl; Barbara A. Mikulski; John Ashcroft; John Glenn; John F. Kerry; Bob Graham; Hank Brown; Jay Rockefeller; Mark Hatfield; Dianne Feinstein; Howell Heflin; Ben Nighthorse Campbell; Slade Gorton; Fred Thompson; Al Simpson; John H. Chafee; Trent Lott; Larry Pressler; Larry E. Craig; Olympia Snowe; Lauch Faircloth; Rod Grams; Rick Santorum; R.F. Bennett; Dick Lugar; Jim Jeffords; Conrad Burns; Paul D. Coverdell; Richard H. Bryan; Bill Frist; Craig Thomas; Jim Inhofe; Mike DeWine; Jon Kyl; Strom Thurmond; Bob Smith; Phil Gramm; John Breaux; Richard Shelby; Orrin Hatch; Bill Cohen; Patty Murray.

Mr. DOLE. Mr. President, we have before us the conference report to H.R. 831, permanent deduction of health insurance costs of self-employed individuals. Passage of this conference report today will help 3.2 million self-employed Americans across the Nation get one step closer to deducting a portion of their health insurance costs.

The House has already passed this conference report. There are only 14 more days to April 17—tax day. And the clock's ticking. It is critical that this bill be signed into law prior to that day.

Since 1986, Congress has allowed the self-employed a 25-percent deduction for their health care insurance costs.

Almost every year, we have had to extend the deduction, but we failed to extend it last year when it expired on December 31, 1993. Mr. President, H.R. 831 makes the deduction permanent. We don't want to leave the 3.2 million tax filers in 1994, hanging on the edge of a cliff every year. And we don't want to tell them that although corporations can deduct 100 percent of their health care insurance costs, small businesses cannot. We decided 9 years ago that in order to make the playing field more equitable, we should allow small businesses to deduct their health care insurance costs. H.R. 831 allows them to deduct 30 percent of their annual health care insurance costs.

Mr. President, I want to say to many of my colleagues that the 3.2 million Americans we help today are farmers and small business owners that live and work all across America. Although we were able to raise the percentage of their annual health insurance costs that they can deduct from 25 to 30 percent, I am disappointed that we were unable to raise this level even higher. It was my strong desire that we should have been able to do so. But, we have been able to make this deduction a permanent one, so that these Americans will no longer have to worry about whether or not they will be able to take the deduction next year.

#### EXPATRIATE PROVISION

Mr. President, included in the Senate version of H.R. 831 was a proposal to tax U.S. citizens who renounce citizenship. But, the measure was adopted without the benefit of hearings.

Subsequently, the Finance Committee's Oversight Subcommittee held a preliminary hearing. The House also held a hearing on this issue earlier this week. This proposal raises important questions, and the hearing exposed some serious concerns.

It is vital to enact H.R. 831, vital. But it is premature to enact this expatriate tax provision. We cannot delay action on H.R. 831 while we continue to consider alternatives to this expatriate provision.

Let me be clear on this—because my colleagues on the other side of the aisle seem to believe that we are somehow opponents of the expatriate provision. We want to get this done. And it is clear that it will be effective as of February 6—but there are some serious problems with this provision, so we will not enact it today. The conferees on the bill have asked the Joint Committee on Taxation to study the provision and to look at other alternatives and get back to us by June 1, 1995. And so, I would say to my colleagues that this sense-of-the-Senate resolution, asking us to do what we are already doing, is nothing but a filibuster. A tactic to waste time that we can ill-afford.

#### OFFSETTING REVENUES

We primarily pay for the deduction by repealing a Federal Communications Commission [FCC] program that I believe is not only ineffective, but

costs the Federal Government billions of dollars.

#### THE FCC'S TAX CERTIFICATE PROGRAM

Congress, in 1943, gave the FCC authority to grant tax deferrals to owners of broadcast facilities who were forced to sell their properties to break up monopolies during World War II.

In 1978, the FCC expanded this provision to give a tax preference to radio, television, and later cable broadcasters who sold their properties to minority-owned firms. For this policy, the FCC defines minorities as including blacks, Hispanics, American Indians, Alaska Natives, Asians, and Pacific Islanders.

The greatest flaw in this program is that the economic benefit doesn't go to the minority buyer, the economic benefit goes to the seller. It's like a kick-back. If you sell to me and not the other guy, I'll give you a little extra something. And I won't be paying for it, the American taxpayer will. I don't understand it, and I don't understand why people would think this is benefiting minorities when the monetary gain is going to the seller.

#### AFFIRMATIVE ACTION

Now, don't get me wrong. I am proud of my civil rights record. And I have supported affirmative action in the past—that's no secret. But my record does not disqualify me from raising legitimate questions about the continuing fairness and effectiveness of affirmative action—particularly when the affirmative-action label is used to describe quotas, set-asides, and other group preferences.

Equal treatment, not preferential treatment, should be the standard. Equal opportunity, not equal results, must be the goal.

Last week, as we debated this same bill on the Senate floor, my distinguished colleague from Maine, Senator COHEN, gave a very eloquent speech where he pointed out that America is not a color-blind society, and he's right.

Discrimination continues to exist. The color-blind ideal is just that—an ideal that has yet to be achieved in the America of 1995. But, Mr. President, do you become a color-blind society by dividing people by race? Do you achieve the color-blind ideal by granting preferences to people simply because they happen to belong to certain groups? Do you continue programs that have outlived their usefulness or original purpose? The answer to these questions is, of course, a resounding "no."

The debate over affirmative action can be an opportunity to unite the American people—not divide us.

#### CONCLUSION

What we will accomplish here today is taking a million dollar, unjustifiable tax break, for millionaires, not minorities, and turn them into health care for ordinary Americans. Americans who really need it.

I urge my colleagues to vote for this conference report.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. COVERDELL). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. Is there further debate on the conference report?

Mr. MOYNIHAN. Mr. President, I would simply like to state for the RECORD the fact that the Committee on Finance, in dealing with the provisions on the payment of tax by persons who expatriate, was confronted by mixed assessments of the legality of such an action.

The International Covenant on Civil and Political Rights, which the United States ratified in 1992, article 12, section 2 states: "Everyone shall be free to leave any country, including his own." The question is whether there is a restriction on this right.

The point here is that present law provides that any taxpayer that renounces his or her citizenship for tax avoidance purposes is subject to the current tax on gains on U.S. assets for 10 years. This has been the law for roughly 30 years, but it has not been enforced. It probably has not been enforceable. Regulations have never been issued. And we mean to do, we mean to do.

The President proposed this on February 6 in his budget, and what we will do in the end will be applied as of February 6. There will be no windows, no provisions of that kind.

Just that the record might show that we have been trying to be orderly and have had some sense of due process here, on 24 March, I received a letter from Hurst Hannum, associate professor of international law at the Fletcher School of Law and Diplomacy, of whose eminence I need hardly to remind the Senate, in which he wrote to express his serious concern over the proposed exit tax and the issue which he had addressed in his 1987 book, "The Right to Leave and Return in International Law and Practice."

We responded to him with information he wanted further on the matter. He writes on March 31 to say:

As I noted then, what appeared to be the imposition of a tax solely on the ground that a person was renouncing his or her citizenship could interfere with the right . . . [under article 12 of the Covenant].

He says, "I am gratified that the human rights issues related to this bill have become a subject of serious debate."

I said on Friday—it was commented on in our hearing—when we are dealing with civil rights issues, human rights issues, we must never be more careful than when the group involved is a dispersed group.

I very much regret that the daily talking points of the Democratic Policy Committee today said what Democrats believe—"We believe that education for our children should not be cut." Fine, I so agree. "Especially while billionaire Benedict Arnolds are allowed to escape taxation." They are not going to escape taxation. I am not sure they are Benedict Arnolds. They are people making decisions that they have a right to make under international law, and the United States has the right to collect taxes from them, under our law.

We now have a letter from Professor Hannum that says:

In sum, imposition of a nondiscriminatory tax on accrued income at the time citizenship is renounced, in a manner consistent with the way in which that same income would be treated at the time of death, does not appear to me to violate either the internationally protected right to emigrate or the (somewhat less well protected) right to a nationality.

Mr. President, I ask that the letters be printed in the RECORD, and I yield the floor.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TUFTS UNIVERSITY,

Medford, MA, March 24, 1995.

Re: Tax Compliance Act of 1995, H.R. 981.

Hon. DANIEL PATRICK MOYNIHAN,  
U.S. Senate.

DEAR SENATOR MOYNIHAN: I am writing to express my serious concern over the proposed "exit tax" included in Sec. 201 of H.R. 981. This concern is based not on an evaluation of its tax consequences, an area in which I am not an expert, but rather on the possible inconsistency of the tax with fundamental international human rights norms and U.S. international legal obligations.

As you know, the U.S. is now a party to the Covenant on Civil and Political Rights, article 12 of which guarantees the right of everyone "to leave any country, including his own." By coincidence, the United States will present its first report on compliance with the Covenant to the Human Rights Committee in New York next week.

Although I understand that the "exit tax" is based on renunciation of citizenship rather than on leaving the country, it is difficult to see how one can "punish" the former without seriously compromising the latter. Indeed, the imposition of confiscatory taxes has been a policy pursued by many countries to discourage emigration, whether on purported national security grounds, specious economic arguments, or to prevent "brain drain." I address these and other issues in my 1987 book, "The Right to Leave and Return in International Law and Practice" (Martinus Nijhoff).

In 1986, a meeting of eminent American and European legal experts adopted the "Strasbourg Declaration on the Right to Leave and Return," a copy of which I attach for your information. I would particularly draw your attention to article 5, which states, *inter alia*, that "[a]ny person leaving a country shall be entitled to take out of that country . . . his or her personal property \* \* \* [and] all other property or the proceeds thereof, subject only to the satisfaction of legal monetary obligations, such as maintenance obligations to family members, and to general controls imposed by law to safeguard the national economy, provided that such controls do not have the effect of denying

the exercise of the right." The tax in question would not appear to meet these standards.

Without having examined the provisions of Sec. 201 in greater detail, I cannot state definitively that it would violate international law. However, the human rights implications of such a provision appear to be extremely serious, and adoption of the law would seem, at best, to be hypocritical, given the legitimate and consistent U.S. insistence on free emigration from other countries over the years.

I hope that the Senate will examine these issues with great deliberation before it decides to balance the budget on the back of individual rights.

Yours sincerely,

HURST HANNUM,

*Associate Professor of International Law.*

#### APPENDIX F

#### STRASBOURG DECLARATION ON THE RIGHT TO LEAVE AND RETURN

(Adopted on 26 November 1986)

#### PREAMBLE

The Meeting of Experts on the Right to Leave and Return,

Recognising that respect for human rights and fundamental freedoms is essential for peace, justice and well-being and is necessary to ensure the development of friendly relations and co-operation among all states;

Recalling that the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Convention on the Elimination of All Forms of Racial Discrimination, as well as regional conventions, recognize the fundamental principle, based on general international law, that everyone has the right to leave any country, including one's own, and to return to one's own country;

Emphasizing that the right of everyone to leave any country and to enter one's own country is indispensable for the full enjoyment of all civil, political, economic, social and cultural rights;

Concerned that the denial of this right is the cause of widespread human suffering, a source of international tensions, and an object of international concern;

Adopts the following Declaration:

#### Article 1

Everyone has the right to leave any country, including one's own, temporarily or permanently, and to enter one's own country, without distinction as to race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth, marriage, age (except for unemancipated minors independently of their parents), or other status.

#### Article 2

Every state shall adopt such legislative or other measures as may be necessary to ensure the full and effective enjoyment of the rights set forth in this Declaration.

All laws, administrative regulations or other provisions affecting the enjoyment of these rights shall be published and made easily accessible.

#### Article 3

(a) No person shall be subjected to any sanction, penalty, reprisal or harassment for seeking to exercise or for exercising the right to leave a country, such as acts which adversely affect, *inter alia*, employment, housing, residence status or social, economic or educational benefits.

(b) No person shall be required to renounce his or her nationality in order to leave a country, nor shall a person be deprived of nationality for seeking to exercise or for exercising the right to leave a country.

(c) No person shall be denied the right to leave a country on the grounds that that person wishes to renounce or has renounced his or her nationality.

#### Article 4

(a) No restriction may be imposed on the right to leave except those which are

(1) provided by law;

(2) necessary to protect national security, public order (*ordre public*), public health or morals or the rights and freedoms of others; and

(3) consistent with internationally recognized human rights and other international legal obligations.

Any such restriction shall be narrowly construed.

(b) Any restriction on the right to leave shall be clear, specific and not subject to arbitrary application.

(c) A restriction shall be considered "necessary" only if it responds to a pressing public and social need, pursues a legitimate aim and is proportionate to that aim.

(d) A restriction based on "national security" may be invoked only in situations where the exercise of the right poses a clear, imminent and serious danger to the State. When this restriction is invoked on the ground that an individual acquired military secrets, the restriction shall be applicable only for a limited time, appropriate to the specific circumstances, which should not be more than five years after the individual acquired such secrets.

(e) A restriction based on "public order (*ordre public*)" shall be directly related to the specific interest which is sought to be protected. "Public order (*ordre public*)" means the universally accepted fundamental principles, consistent with respect for human rights, on which a democratic society is based.

(f) A restriction based on "the rights and freedoms of others" shall not imply that relatives (except for parents with respect to unemancipated minors), employers or other persons may prevent, by withholding their consent, the departure of any person seeking to leave a country.

(g) No fees, taxes or other exactions shall be imposed for seeking to exercise or exercising the right to leave a country, with the exception of nominal fees related to travel documents.

(h) Permissibility of restrictions on the right to leave is subject to international scrutiny. The burden of justifying any such restriction lies with the state.

#### Article 5

(a) Any person leaving a country shall be entitled to take out of that country

1. his or her personal property, including household effects and property connected with the exercise of that person's profession or skill;

2. all other property or the proceeds thereof, subject only to the satisfaction of legal monetary obligations, such as maintenance obligations to family members, and to general controls imposed by law to safeguard the national economy, provided that such controls do not have the effect of denying the exercise of the right.

(b) Property or the proceeds thereof which cannot be taken out of the country shall remain vested in the departing owner, who shall be free to dispose of such property or proceeds within the country.

#### RIGHT TO ENTER OR RETURN

#### Article 6

(a) No one shall be deprived of the right to enter his or her own country.

(b) No person shall be deprived of nationality or citizenship in order to exile or to prevent that person from exercising the right to enter his or her country.

(c) No entry visa may be required to enter one's own country.

#### Article 7

Permanent legal residents who temporarily leave their country of residence shall not be arbitrarily denied the right to return to that country.

#### Article 8

On humanitarian grounds, a state should give sympathetic consideration to permitting the return of a former resident, in particular a stateless person, who has maintained strong bona fide links with that state.

#### PROCEDURAL SAFEGUARDS

#### Article 9

Everyone has the right to obtain such travel or other documents as may be necessary to leave any country or to enter one's own country. Such documents shall be issued free of charge or subject only to nominal fees.

#### Article 10

(a) Any national procedures or requirements affecting the exercise of the rights set forth in this Declaration shall be established by law or administrative regulations adopted pursuant to law.

(b) Everyone shall have the right to communicate as necessary with any person, including foreign consular or diplomatic officials, for the realization of the rights set forth in this Declaration.

(c) No state shall refuse to issue the documents referred to in Article 9 or shall otherwise impede the exercise of the right to leave, on the grounds of the applicant's inability to present authorization to enter another country.

(d) Procedures for the issuance of the documents referred to in Article 9 shall be expeditious and shall not be unreasonably lengthy or burdensome.

(e) Everyone filing an application for any document referred to in Article 9 shall be entitled to obtain promptly a duly certified receipt for the application filed. Decisions regarding issuance of such documents shall be taken within a reasonable period of time specified by law. The applicant shall be promptly informed in writing of any decision denying, withdrawing, canceling or postponing issuance of any such document; the specific reasons therefor; the facts upon which the decision is based; and the administrative or other remedies available to appeal the decision.

(f) The right to appeal to a higher administrative or judicial authority shall be provided in all instances in which the right to leave or enter is denied. The appellant shall have a full opportunity to present the grounds for the appeal, to be represented by counsel of his or her choice, and to challenge the validity of any fact upon which a denial or restriction has been founded. The results of any appeal, specifying the reasons for the decision, shall be communicated promptly in writing to the appellant.

#### FINAL CLAUSES

#### Article 11

Any person claiming a violation of his or her rights set forth in this Declaration shall have effective recourse to a judicial or other independent tribunal to seek enforcement of those rights.

#### Article 12

No state may impede communication by any person with an international organization or other bodies or persons outside the state with regard to the rights set forth in this Declaration, and no sanction, penalty, reprisal or harassment may be imposed on anyone exercising this right of communication.

#### Article 13

The enjoyment of the rights set forth in this Declaration shall not be limited because

of activities protected under internationally recognized human rights or other international legal obligations.

#### Article 14

Nothing in this Declaration shall be interpreted as implying for any state, group or person any right to engage in any activity or perform any act aimed at destroying any of the rights set forth herein or at limiting them to a greater extent than is provided for in this Declaration.

#### Article 15

The present Declaration shall not be interpreted to limit the enjoyment of any human right protected by international law.

TUFTS UNIVERSITY,

Medford, MA, March 31, 1995.

Re Tax Compliance Act of 1995, H.R. 981.

Attention: Patricia McClanahan.

Hon. DANIEL PATRICK MOYNIHAN,  
U.S. Senate.

DEAR SENATOR MOYNIHAN: I wrote you on 24 March expressing my concern over the possible human rights implications of the so-called "exit tax" called for in the above-referenced bill. As I noted then, what appeared to be the imposition of a tax solely on the ground that a person was renouncing his or her citizenship could interfere with the right of every person "to leave any country, including his own," which is guaranteed under article 12 of the Covenant on Civil and Political Rights.

I am gratified that the human rights issues related to this bill have become a subject of serious debate, and I appreciate your contribution to that debate. Having now received additional and more specific information about the tax, however, I have become convinced that neither its intention nor its effect would violate present U.S. obligations under international law.

Although imposition of a special tax on those who wished to renounce U.S. citizenship might be questionable, it is my understanding that the tax in question is based on accrued income and, in effect, treats renunciation of citizenship as the financial equivalent of death for the purpose of attaching tax liability. There are undoubtedly negative consequences to the individual concerned in having to pay taxes on gains while he or she is alive rather than after death, but there is no internationally protected right to escape taxation by changing citizenship. However, in order to clarify that the purpose and effect of the proposed tax are non-discriminatory, the language might be rewritten to offer the individual the option of complying with the new tax or electing to have realized gains taxed only as part of the individual's estate—subject to an appropriate escrow account being established for money which would otherwise be expected to be beyond U.S. jurisdiction at the time of death.

In sum, imposition of a non-discriminatory tax on accrued income at the time citizenship is renounced, in a manner consistent with the way in which that same income would be treated at the time of death, does not appear to me to violate either the internationally protected right to emigrate or the (somewhat less well protected) right to a nationality.

Thank you for the opportunity to clarify my views on this important matter.

Yours sincerely,

HURST HANNUM,

Associate Professor of International Law.

Mr. PACKWOOD. Mr. President, I believe we are ready to vote.

The PRESIDING OFFICER. If there is no further debate, the question occurs on agreeing to the conference report.

So the conference report was agreed to.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. DOLE. What is the pending bill?

The PRESIDING OFFICER. The pending business will be H.R. 1158.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. MURRAY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the majority leader.

#### MORNING BUSINESS

Mr. DOLE. I now ask for the transaction of routine morning business not to exceed 15 minutes, with the Senator from Washington being permitted to speak for 10 minutes as in morning business.

#### CORPORATION FOR PUBLIC BROADCASTING

Mrs. MURRAY. Mr. President, I thank the Chair.

Mr. President, I must rise today to support a program that some in this body may argue is unnecessary, but that the American people wholeheartedly support.

As we debate the very difficult question of eliminating funds to various agencies, it frustrates me that some of my colleagues blindly lump the Corporation for Public Broadcasting into a general pool of rescissions.

The Corporation for Public Broadcasting is a true public service, owned by the American people. What other Government program can we claim reaches 99 percent of all Americans?

Since 1967, CPB has developed public telecommunications services of the highest quality to serve the American people. All of us on this floor agonize over what serves the taxpayer most.

Certainly, public broadcasting has proven itself as a national asset supporting television and radio stations in all 50 States, the District of Columbia, Puerto Rico, American Samoa, Guam, and the Virgin Islands.

Last year, CPB funded 351 public television stations and 629 public radio stations. Each week NPR touches the lives of 16 million listeners and more than 100 million viewers tune in to PBS weekly.

The numbers show that CPB is a Government program that works, and serves the people of this country. It is one program where the American taxpayer is actually seeing a return on their dollar.

But is CPB a luxury? In these days of deficit reduction, can we afford this service? In thinking about this question, I have reflected back on my role as a mother and teacher.

I am not independently wealthy and have been faced with balancing a checkbook my entire life. When times are tough, everyone suffers, but never have I sacrificed the education of my children.

All parents worry about the uncertain future of their sons or daughters. Frankly, that is why I am so committed to continued funding for the Corporation for Public Broadcasting.

Education is at the heart of what public broadcasting does. CPB reaches almost every home, school, and business in America to make important learning resources available.

CPB is dedicated to helping and inspiring learners of all ages, in schools, at colleges and universities, at work, and at home.

Public broadcasting is not subsidized television but rather accessible education. More than three-quarters of the country's public television stations offer for-credit adult courses at various levels.

Since 1981, 2.8 million people have taken public broadcasting telecourses for college credit. Over 29 million students in over 70,000 schools receive public TV as an educational resource. Of the top 10 television programs used by teachers in the classroom, 6 are from public TV.

Sure, some may classify public broadcasting as entertainment. I even admit that I became absorbed in "The Civil War" and rushed home to catch "Baseball." But therein lies the secret of public broadcasting. Its ability to education while holding our attention.

From "The Electric Company" to "MacNeil-Lehrer," from "Carmen Sandiego" to "Great Performances," CPB has captivated audiences and provided an educational alternative to network television.

Children today need the same educational stimulation my children had access to, if not more so. Changing family structures and working parents mean more and more children are left home alone. These are the children dependent upon "Sesame Street" and "Barney" for guidance, education and solace. If there is no one at home to pull the kids away from the set, or to choose programming, can't the Government at least provide an accessible alternative which stimulates learning?

The average public television station airs more than 5 hours of quality, non-commercial children's programming every single day and 22.4 million children watch public television each week. The futures of these children can be dramatically shaped by the programs they watch each day.

Remember that 1 year of programming from PBS and NPR, costs each U.S. citizen just \$1.09. Less than a penny a day. In fact, CPB's entire annual budget equals what the networks

make in just 15 minutes of Super Bowl commercials.

More than 95 percent of CPB funds go back to communities nationwide as support for their broadcast operations. More importantly, for every \$1 of Federal funding directed through CPB, stations raise more than \$6 from other sources.

I urge my colleagues on their next visit home to tune in a publicly supported station within their State. Radio stations such as KPBX in Spokane and KFAE in Richland and television stations like KCTS in Seattle and KYVE in Yakima will prove to you how far a minimal Federal investment can be stretched.

Mr. President, the question here is should there be public television. My answer is a solid, loud yes.

Just as we have public schools, public libraries, public roads, and public parks, we should have public television.

"Public" means we, you, and I, own it. We have a say. We have input. We have access.

To only have private television means that those who can afford to own the airwaves will decide what we watch and who can watch. Someone else, someone with the wealth to afford it, will decide what opinions will be aired and whose words will be heard.

I believe it is imperative that the public have access and input to the airwaves.

Let us not be the Congress that is known as the one who took the public out of television.

Let this Congress be remembered for turning the tide on the deficit, but let us do so without sacrificing our children, their education and their future.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

#### THE FOURTH ANNUAL FIREFIGHTERS CHALLENGE

Mr. DOLE. Mr. President, as a longtime supporter of our Nation's firefighters, I am honored to sponsor this resolution that will allow the Congressional Fire Service Institute to hold its Fourth Annual Firefighters Challenge on April 26, 1994, in the park across from the Russell Senate Office Building.

Widely regarded as the most exciting firefighting competition in the Nation, firefighters from as far away as California, Florida, and Ontario, Canada, are scheduled to compete in an event that demonstrates the level of fitness and conditioning essential for today's fire service.

Twenty-four hours a day, 365 days a year, firefighters are on stand by—ready to come to our aid. These well-trained men and women are our first line of defense against fires and a host of other natural disasters. It is my